

Labor Leadership Weakened By Stunning Loss in London



Michael Foot, the Labor Party leader, while walking his dog in London Friday morning. His leadership of the party is in question after the election loss in Bermondsey.

By R.W. Apple Jr.
New York Times Service

LONDON — A crushing defeat for the Labor Party in Thursday's by-election at Bermondsey has gravely weakened Michael Foot's position as Labor's leader, party officials conceded Friday.

The Labor nominee, Peter Tatchell, a 31-year-old left-winger, polled fewer than half as many votes as the victor, Simon Hughes, who was the candidate of the Liberal-Social Democratic alliance, even though Bermondsey was considered one of the half-dozen safest Labor seats in England. Labor had held it for 60 years. The swing from Labor was by far the largest in recent decades.

Voters interviewed by the BBC as they left the polls gave as their primary reason for backing Mr. Hughes, an unknown 31-year-old lawyer, the prolonged infighting within the Labor Party as well as Mr. Tatchell's alleged extremism. Labor's share of the vote plummeted from 63.6 percent at the last general election in May 1979, to 26.1 percent Thursday.

Mr. Hughes, a Liberal, got 58 percent of the vote. Mr. Foot, 69, issued a statement during the night saying, "I am staying as leader of the party because I was elected to do the job, to lead the party to victory at the next election." He conceded that the by-election defeat was a sharp setback but insisted that "Bermondsey will be won back for Labor at the general election."

That election is expected in June or October of this year or sometime next spring.

The pressures on Mr. Foot to quit are mounting. Most established Labor politicians, particularly those with marginal seats, expressed gloom or even despair about the party's prospects.

Mr. Foot inspired little confidence before the Bermondsey voting, and he now appears to inspire even less. His determination to stay, from which he was forced to retreat, were cited by several senior figures as the beginning of what they called the debacle that engulfed the party Thursday.

Since he became Labor leader in 1980, Mr. Foot, 69, repeatedly failed in his attempts to reconcile the quarrels between the party's militant left wing, of which Mr. Tatchell is a member, and its more moderate, more traditional right wing.

For the new party and its Liberal allies, the victory at Bermondsey constituted a desperately needed shot in the arm. It was the alliance's first victory in a thoroughly working-class, inner-city constituency, and its first capture of a previously Labor seat.

Three previous by-election victories came at the expense of the Tories.

Shirley Williams, the Social Democrats' president, said the result proved that Labor would "never form a government again." David Steel, the Liberal leader, commented, "This is not a victory, it is a complete rout."

The alliance's standing in the national polls, which has been depressed since the war in the Falkland Islands distracted public attention, can now be expected to rise, and it will make an all-out effort to win the forthcoming by-election at Darlington, in northeast England.

Mr. Foot's future will depend to a great extent on the trade union leaders who helped him to power in the first place. The key man in the coming weeks will probably be Moss Evans, the head of Britain's most powerful union, the Transport and General Workers. He voiced support for the leader as recently as last week, but there were unconfirmed reports Friday that he planned to meet Mr. Foot soon to discuss the leader's future.

Already, according to some reports, a majority of the Labor shadow cabinet, the group of party spokesmen who would become ministers in a Labor government, have concluded that he should resign. They believe, it is said, that only Denis Healey, 65, the deputy leader, is capable of rallying the party for a general election.

The Times of London said Friday that a plan had been formulated under which Mr. Foot would step down, to be replaced by Mr. Healey, who is a right-winger.

The deputy's job would then go to Neil Kinnock, 40, the party spokesman on education, who is a left-winger acceptable to much of the right. He is widely considered a future prime minister.

The trouble with the reported plan is that the left will almost certainly fight to keep Mr. Foot in power. They dislike Mr. Healey personally and ideologically, and although Mr. Foot has moved to the center since becoming leader, he is instinctively a left-winger.

Tribe, the weekly newspaper of the left, said in an editorial that getting rid of the leader would solve nothing. It added: "The problem runs much deeper. The sad truth is that he is at the head of a regime which is ideologically and politically impoverished."



Simon Hughes, the Liberal-Social Democratic candidate, toasts his by-election victory.

Pentagon Decides Command Posts Too Vulnerable in a Nuclear War

By Philip Taubman
New York Times Service

WASHINGTON — The Defense Department, having concluded that Soviet warheads could disable the land-based command posts intended to serve as the government's nerve center in a nuclear war, has begun a major effort to develop mobile communication and control facilities.

A network of substitute command centers capable of surviving a nuclear attack, however, will not be fully operational until the late 1980s, according to senior department officials.

The increased emphasis on mobile command centers, which evolved in recent years and now is a key part of the Reagan administration's defense policy, represents a significant shift in strategic planning, according to officials.

It means, they said, that defense planners no longer believe they can depend on the underground headquarters of the North American Air Defense Command and the Strategic Air Command to warn of multiple Soviet nuclear strikes and help coordinate an American response.

The air defense command, which is the heart of the U.S. early-warning system, is located in a futuristic subterranean complex at Cheyenne Mountain, Colorado, until recently was considered invulnerable.

The Strategic Air Command, housed underground in Omaha, Nebraska, has targeting and operational control over the nation's long-range nuclear forces.

"I don't think Cheyenne Mountain will withstand a direct hit of a highly accurate, high-yield ICBM,"

said Donald C. Latham, deputy undersecretary of defense for research and engineering, ICBM stands for intercontinental ballistic missile.

Mr. Latham added that because current command facilities are considered to have "decreasing survivability" as the Russians develop more accurate missiles and stronger warheads, the Defense Department is upgrading airborne command centers and building mobile ground stations.

He said the backup facilities, while unable to duplicate all the capabilities of the land-based centers, would be sufficient to maintain basic operations during a nuclear war.

In his annual report to Congress, Defense Secretary Caspar W. Weinberger, commenting on proposed expenditures for mobile centers in the fiscal year beginning in October, said, "We need strategic command centers that will survive a nuclear attack and continue to support decision-making and control of our strategic forces."

The realization that land-based command centers, including two in the Washington area, could be knocked out of service by a Soviet first strike mirrors the conclusion, also reached in recent years, that U.S. land-based missiles are vulnerable to more accurate Soviet missiles with more powerful warheads.

The perceived vulnerability of the U.S. ICBM fleet, which many defense analysts believe gives an important strategic advantage to the Soviet Union, led to the development of the MX missile and the various proposals for basing it that are under review by a special panel

appointed by President Ronald Reagan.

Like the MX basing plan proposed during the Carter administration, which was designed to keep the Kremlin guessing about the location of the missiles by moving them in and out of launchers located along a giant "racetrack" in Utah and Nevada, mobile command centers would theoretically decrease the possibility of a direct hit by a Soviet warhead.

The concept is not new and the government has been investing in airborne command centers for many years. They include several modified Boeing 747 aircraft, called E-4Bs, that are hardened against the effects of nuclear detonations and contain sophisticated communications equipment.

In the event of nuclear war, if time and conditions permit, the president and his top aides are expected to board one of these aircraft.

Even the planes, however, are now considered vulnerable. Mr. Weinberger, in his report, said, "We are concerned, however, about their ability to operate beyond the initial stages of a nuclear conflict."

As a backup for the planes, Mr. Weinberger reported that the government planned to develop and deploy "mobile command centers that could supplement or take over the key functions of our airborne command posts if they could no longer operate effectively."

The mobile command centers, defense officials said, would probably be housed in modified trucks, which, like the airborne posts, would be hardened against the effects of nuclear detonation.

Bonn Charges Russians With Interfering in Upcoming Vote

By James M. Markham
New York Times Service

BONN — The government of Chancellor Helmut Kohl accused the Soviet Union on Friday of "massive" interference in next month's general election.

"The government regards with concern the massive and hitherto unprecedented manner in which the Soviet Union is interfering in the election and the internal politics of the Federal Republic of Germany," Jürgen Sudhoff, a government spokesman, said at a news conference.

Mr. Sudhoff referred to an appeal Thursday by the Soviet foreign minister, Andrei A. Gromyko, for West European nations to dissociate themselves from the American position at the Geneva arms limitation talks. He also mentioned a German-language broadcast on Radio Moscow that predicted social unrest in West Germany if Mr. Kohl's Christian Democrats won the March 6 election.

"We have shown great patience so far, but now it is time for realities to be acknowledged," said Mr. Sudhoff, who recalled that Mr. Gromyko, on a visit here last month, had claimed that Moscow had no favorite in the campaign.

"The grossness of this attack was striking," said Mr. Sudhoff of the German-language broadcast, adding that it was evidently "not just aimed at people east of the Urals." He called the transmission "an unabashed attempt to separate the Europeans from the Americans."

Coming only nine days before the election, the government blast appeared to reflect a calculation that both the Soviet Union and the opposition Social Democrats have gone too far in their criticism of the United States.

Led by their candidate for chancellor, Hans-Jochen Vogel, the Social Democrats have adopted an extremely critical posture toward the Reagan administration's handling of the Geneva negotiations, and they have made it clear that they would be unlikely to deploy a new generation of American medium-range missiles if they won the March 6 vote.

Mr. Vogel started the shift in the Social Democrats' position by demanding that the United States march purported Soviet concessions at Geneva. Egon Bahr, the party's security expert, has sharp-

ened the stand further by declaring that the stationing of the new missiles could destabilize West Germany and the North Atlantic Treaty Organization because of public opposition.

In the latest issue of the Social Democratic weekly Vorwärts, Mr. Bahr endorses the idea of basing new cruise missiles on submarines, rather than on land. He argues that the Social Democrats have always been for "sharing security risks" with the United States.

"This is a reason why we were and are against the American-initiated discussion over a war limited to Europe," writes Mr. Bahr under the title "America's Coupling." He added, "A limited war means decoupling."

In recent campaign speeches, Chancellor Kohl has accused Mr. Bahr of objectively serving the interests of the Soviet Union. This echoes earlier statements by other government figures that Mr. Vogel was "Moscow's candidate" in the election.

Mr. Bahr was accused recently by a Stockholm newspaper of having persuaded Olof Palme, the Swedish prime minister, to float a proposal for a European nuclear-free zone in time for the West German election. Mr. Palme and Mr. Bahr have denied the report.

By pressing the accusation of Soviet meddling in the election, the government seems to feel that it can strengthen the impression that the leftward-drifting Social Democrats would leave West Germany isolated from its American and European allies should they triumph on March 6. This has become a central campaign theme of the Christian Democrats.

The government statement coincided with a visit to Moscow by the Foreign Ministry's senior arms negotiation expert, Friedrich Rühl, who met Thursday and Friday with senior Soviet officials. The visit appeared to reflect a wish to show that the Kohl government still has channels open to Moscow.

If the Soviet Union has been attempting to further Mr. Vogel's chances, the Christian Democrats have received important campaign support from U.S. President Ronald Reagan and President Francois Mitterrand of France, both of whom have indirectly attacked the Social Democrats' security policies.

Tennessee Williams, U.S. Playwright, Dies

United Press International

NEW YORK — Tennessee Williams, 71, the leading American playwright of his generation, was found dead Friday at the Manhattan hotel where he was staying.

Police said Mr. Williams, who made his home in Key West, Florida, and had been in failing health recently, apparently had died of natural causes. An autopsy was ordered.

His body was found slumped over the side of his bed in his room at the Elysee Hotel. The hotel manager, Sy Pinto, said that Mr. Williams had registered a week ago and had been a regular guest for the last 15 years.



Tennessee Williams

Plays Born of Anxieties

By Mel Gussow
New York Times Service

Although seldom intentionally autobiographical, the plays of Tennessee Williams were almost all intensely personal — torn from his own private anguish and anxieties.

Mr. Williams' work, which was unequaled in passion and imagination by any of his contemporaries, was a barrage of conflicts of the blackest horrors offset by purity.

In her book about her son, "Remember Me to Tom," his mother once listed his subjects: "Murder, cannibalism, castration, madness, incest, rape, adultery, nymphomania, homosexuality." She added with seeming pride, "There exists no savage act about which my son has not written."

The playwright himself, born Thomas Lanier Williams, said, "I can't expose a human weakness on the stage unless I know it through having it myself."

"Yet, his plays are filled with beauty," his mother wrote, and Mr. Williams, too, saw a hopeful side to his writing. His basic premise, he said, was "the need for understand-

ing and tenderness and fortitude among individuals trapped by circumstance."

Just as his work reflected his life, his life reflected his work. His father broke up his romance with his college sweetheart. It was his only known romantic relationship with a woman. She married someone else, and died early. When he was just out of college his sister lost her mind and was confined for life in a sanitarium.

Mr. Williams, a hypochondriac, was surrounded by obsessions about sickness, failure and death. Particularly in his later years, he was known to drink and take pills immediately. He feigned disinterest in reviews, but unfavorable ones were said to devastate him. He did not write for success, one friend said, but as a "biological necessity."

He was born March 26, 1911, in Columbus, Mississippi, and had an older sister, Rose, and a younger brother, Dakin.

(Continued on Page 3, Col. 2)

OPEC May Yet Avert Collapse of Oil Prices

By Bob Haggerty
International Herald Tribune

LONDON — Chances appeared to be growing Friday for the Organization of Petroleum Exporting Countries to avoid or at least delay a collapse of crude oil prices.

Several industry sources said a decline in world oil prices will help Italy. Page 9.

Flurry of talks among OPEC and non-OPEC oil producers and a decision by Mexico to delay an expected price cut provided increasing evidence that the cartel would achieve an understanding that could prevent a price war. But the sources emphasized that the cartel still faces considerable danger that the price cuts announced last week by Britain, Norway and Nigeria could trigger uncontrolled price cutting.

"I'm no longer as gloomy about a potential collapse," said John C. Gault, an economist at IED Con-

sultants, a Geneva-based firm with links to several OPEC members. He said OPEC may be seeking an agreement to support prices by limiting production.

An output limit, Mr. Gault said, might allow OPEC to support a price of around \$30 a barrel for Saudi light, down \$4 from the current benchmark price of \$34.

In apparent efforts to reach some understanding, a number of ministers met Friday. "At least they're talking to each other," a British oil executive said.

In Paris, Mexico's oil minister, Francisco Labastida, announced that his country would delay a price cut that had been expected Friday. Mr. Labastida had talks with the oil ministers of Algeria, Venezuela and Kuwait, all of which are OPEC members. Mexico's delay appeared to be aimed at giving OPEC more time to work on a price-supporting agreement.

Also on Friday, industry sources said, representatives of Venezuela and Saudi Arabia met in Geneva.



Francisco Labastida, the Mexican oil minister, left, discussed prices Friday in Paris with Sheikh Ali Khalifa al-Sabah, right, the oil minister of Kuwait. At center is an interpreter.

To Many Bolivians, Barbie Was Expelled for Political Gain

By Jackson Diehl
Washington Post Service

LA PAZ — One Tuesday afternoon last month, Klaus Barbie took time from his normal routine in this Andean capital to visit the Bolivian government comptroller's office. His business was relatively simple: to pay a six-year-old, \$10,000 debt that represented his sole legal quarrel with Bolivia's new democratic government.

Barbie approached the officials on duty and announced he was prepared to pay. A dispute broke out. The officials insisted that the dollar debt be converted to Bolivian currency at the official exchange rate, which was then widely ignored. Barbie argued for a fairer price.

The result, officials in La Paz say, was that irritated bureaucrats in a minor Bolivian government agency decided to place one of the world's most wanted Nazi war

criminals under arrest, to the surprise of both the government leadership and the French and West German diplomats who had sought the extradition of Barbie for years.

Their action touched off a chain of events that led to Barbie's imprisonment in France on charges of crimes against humanity — and an ongoing controversy in Bolivia about the methods and motives of a weak government's sudden action.

Barbie's summary expulsion by the struggling left-of-center government of Hernán Siles Zuazo has brought Bolivia wide praise from European governments at a time when the country is in desperate need of foreign financial aid. Grateful French officials say that, in addition to a substantial aid package planned before the expulsion, they intend to "lead a campaign for Bolivia in Europe," in the words of one.

In Bolivia, however, the expulsion is not such a simple issue. Leading democratic politicians and newspapers have questioned the government's hasty abandonment of an ongoing extradition case in the Supreme Court.

The uncertain legality of the government's later actions, including the holding of Barbie incommunicado for 11 days and his expulsion on the ground that his 25-year Bolivian citizenship was not valid, have led many Bolivians to conclude that the government acted in the hope of quick political gains.

"Almost everywhere it is said that turning Barbie in tends to fortify the ties of friendship with France," the left-of-center newspaper Presencia said. "In other words, Bolivia presents itself in the not very complimentary role of somebody who turned somebody in for a reward."

Bolivian officials here say that they intended all along to expel the

former Nazi, and had simply been awaiting the right moment. "The right moment came with his arrest because he was in our hands," said Foreign Minister Mario Velarde Dorado. "He is a foreigner completely unwanted in Bolivia. If we released him, we would have had to arrest him again, and he is a dangerous man."

Political leaders here add, however, that Barbie's arrest happened to occur just as Mr. Siles Zuazo's government was facing the most severe crisis in its five months in office.

Those difficulties and the strong influence of France, they say, caused the reversal of the government's previous policy — and an equally worldly-wise decision to send him to France rather than West Germany, the country that had a formal extradition request pending.

Mr. Siles Zuazo's government took office last October with many

reasons to expel Barbie. For 20 years after coming to the country in 1951, the 69-year-old former Gestapo commander apparently lived under the alias of Klaus Altman, managing a lumber mill in northern Bolivia. He obtained citizenship under his false name in 1957.

In the decade after his discovery by French investigators in 1971, however, Barbie was linked to a series of Bolivian military governments and paramilitary movements. Government officials now assert that he was connected to cocaine trafficking interests, and other reports say he advised military leaders on torture and brokered arms deals, although no proof has ever surfaced for the charges.

Soon after taking office, Mr. Siles Zuazo said in an interview that Barbie would be expelled if European governments requested it. And yet for four months, the

(Continued on Page 2, Col. 7)

Hundreds Held In S. Africa Raid

Reuters

CAPE TOWN — Hundreds of blacks were arrested Friday in a raid on a squatters' camp on the outskirts of Cape Town, witnesses said.

Tear gas was used against the squatters, the witnesses said, as a convoy of about 45 police and government vehicles entered the camp. Rioting broke out in the camp last week when officials tried to demolish illegal shelters.

A government spokesman said those arrested were taken to a local black affairs office for questioning on whether they had the right to be in the Cape Town area.

Under South African laws, only certain blacks are allowed to live in urban areas. Many of the squatters have asserted that they are entitled to live in Cape Town but lack accommodation. Others have come from tribal homelands to seek work illegally.

INSIDE

■ China accuses President Reagan of reneging on the six-month-old agreement under which the United States promised to reduce its arms sales to Taiwan. Page 2.

BUSINESS/FINANCE
■ Most U.S. banks cut their prime rate as the government announced that inflation in January was 0.2 percent. Page 7.

ARTS/LEISURE
■ A fringe area of the art market is explored by a Paris gallery in an exhibition of the drawings of Rupert Carabin, a creator of turn-of-the-century, pre-Surrealist furniture. Page 6.

COMING MONDAY
■ The first in a series of three articles examines the competition for a share of the world food market that threatens to ignite a trade war among industrialized nations.

Gemayel, Cabinet Hold Emergency Talks on Habib Plan for Pullout

Compiled by Our Staff From Dispatches
BEIRUT — President Amin Gemayel and his cabinet met in an emergency session Friday night to examine the ideas of the U.S. presidential envoy, Philip C. Habib, on speeding up an agreement on troop withdrawal from Lebanon and Israel.

The meeting at the presidential palace in Baabda, 5 miles (8 kilometers) east of Beirut, followed extensive talks between Mr. Habib and the Lebanese foreign minister, Elie Salem. Mr. Salem said his sessions with Mr. Habib were "crucial in the progress" of negotiations to remove 60,000 Israeli troops, Syrians and remaining troops of the Palestine Liberation Organization from Lebanon.

Mr. Habib conferred in private with Mr. Gemayel before his morning

ing and afternoon sessions with Mr. Salem. The American and Lebanese delegations in the two-month-old negotiations attended both sessions with Mr. Salem.

Lebanese government spokesmen refused to spell out the ideas Mr. Habib was proposing "but it seems we're going to be moving faster toward an overall accord," one said.

Israel radio said that Prime Minister Menachem Begin told a key parliament committee Friday that the formula for ending the state of war with Lebanon has been drafted.

Mr. Begin told the Foreign Affairs and Defense Committee of the Knesset that working on the formula to end the state of belligerency had been achieved, the radio said, adding that he said there were still differences of opinion about a security zone of 24 to 30 miles that Israel is seeking in order to keep its northern border secure.

The other key areas on which Mr. Begin reported agreement on the drafting of texts with Lebanon were setting up liaison offices in Israel and Lebanon and how to prevent terrorist activities.

Israel has been insisting on observation posts in southern Lebanon to prevent the return of the PLO. Former Defense Minister Ariel Sharon had described these posts as being manned by small army contingents. Lebanon had opposed this.

The opening of an Israeli hotel in Taba has brought an angry reaction from Egypt. Resumption of talks would be an important step in bettering Egyptian-Israeli relations, which deteriorated after Israel invaded Lebanon on June 6.

Egypt and Israel To Talk on Taba

Compiled by Our Staff From Dispatches
CAIRO — Egypt and Israel will resume talks on the future of the disputed area of Taba on March 2, an Egyptian Foreign Ministry statement said Friday.

The issue of Taba, a half-mile wide coastal strip south of the Israeli port of Eilat, has been in dispute since Israel's withdrawal from the Sinai in April.

The opening of an Israeli hotel in Taba has brought an angry reaction from Egypt. Resumption of talks would be an important step in bettering Egyptian-Israeli relations, which deteriorated after Israel invaded Lebanon on June 6.

Israeli Declines Post of U.K. Envoy After Furor Over His Guerrilla Past

JERUSALEM — Eliahu Lankin, the Israeli ambassador to South Africa, has decided not to accept the post of ambassador in London because of the outcry over the appointment. Mr. Lankin was a guerrilla fighter against British forces during Israel's struggle for independence.

Israeli officials confirmed Friday that Mr. Lankin had notified his government that he would prefer to stay at his present post.

British politicians and newspapers assailed his impending nomination, which also created a controversy in Israel.

Mr. Lankin, a close friend of

Prime Minister Menachem Begin, was a commander in the Irgun underground movement that fought against the British before Israel became an independent state in 1948.

A number of Britons said in public that the appointment would stir bitter memories and put further strain on the already tense relations between Britain and Israel.

Some members of Britain's Jewish community also urged the Israeli government to reconsider the appointment.

The post of ambassador has been vacant since Shlomo Argov was seriously injured by a gunman last June. The attack on Mr. Argov preceded by a few days Israel's assault



Elie Salem

who did not want to be identified told The Associated Press that Israel is backing away from its demand to keep a battalion of troops permanently inside the Lebanese border.

[They said that the solution may be to have some Israeli troops temporarily assigned in Lebanese forces on a liaison basis.]

Lebanese Economy Minister Ibrahim Halawi, meanwhile, indirectly confirmed that Saudi Arabia has banned imports from Lebanon to guard against a possible infiltration of Israeli products.

"No Israeli products are being exported to Lebanon and I am confident that Saudi Arabia will reconsider the measures it has taken when things are explained to its government," Mr. Halawi said.

However, the Beirut chamber of commerce said recently that Israel exported in December alone \$20 million worth of products to Lebanon and warned this was posing grave dangers to the Lebanese economy.

Chinese Commentary Says Reagan Is 'Trampling' Accord on Taiwan

By Michael Parks
Los Angeles Times Service

BEIJING — China accused President Ronald Reagan on Friday of trampling on the six-month-old Chinese-American agreement that limits and pledges to reduce U.S. arms sales to Taiwan, and said such "trampling of solemn agreements" could not be tolerated.

An angry commentary by the official news agency Xinhua harshly attacked Mr. Reagan on his recent promises to continue supporting Taiwan politically and in continuing selling it American weapons.

"This indicates a grave step backward in the U.S. position," according to the commentary. "This development is unfortunate and contrary to our expectation that the August communiqué would help lift the dark cloud over the Sino-American relations and would lead to a smooth development of these relations."

The commentary appeared to reflect Beijing's anger and sorrow not only that the communiqué, the result of 10 months of negotiations, had not resolved the arms issue, but also that the visit earlier this month of Secretary of State George P. Shultz had not brought home to

the Reagan administration Chinese doubts about U.S. sincerity.

"Unless this problem is resolved," an Xinhua report said shortly after Mr. Shultz's departure, "mutual trust between China and the United States is out of the question and bilateral relations cannot possibly develop on a sound basis."

The latest commentary would seem to leave Chinese-American relations unimproved by the Mr. Shultz's visit and the United States again on the defensive in trying to maintain the relationship with China.

On his four-day trip to China, Mr. Shultz was told by Foreign Minister Wu Xueqian and other leaders that Taiwan remained a serious problem in Chinese-U.S. relations.

Beijing had reacted mildly to Washington's sale of 66 reconditioned F-104 Starfighter aircraft, more than 30 years old, to Taiwan for \$31 million when it was disclosed two weeks ago, but a sharp attack is now considered quite possible.

Citing Mr. Reagan's linkage of reduced arms sales to Taiwan and progress toward peaceful reunifica-

tion of the island with the Communist-controlled mainland, the commentary said that Mr. Reagan had simply ignored all the communiqué's major points.

Mr. Shultz, on his departure, seemed to imply that the arms and other disputes would be quietly resolved over time as Chinese-American relations settled on a normal level. Since he left, however, there has been one Chinese blast after another at the United States.

Aside from the attack of Mr. Reagan, which was unusual in both its harshness and in its personal target, criticism has grown on a variety of trade disputes, including textiles, technology transfer and 72-year-old Chinese railroad bonds that Beijing disclaims.

The Communist Party newspaper People's Daily published a long attack Friday on the bonds case. It reiterated China's claim to sovereignty and rejected a U.S. federal court decision in which China was found in default on \$41.3 million worth of imperial Chinese bonds.

The Communist government has repeatedly asserted that it is not liable for the debts of the former imperial regime.

UN Report on Poland Takes Cautious Line

By Iain Guest
International Herald Tribune

GENEVA — A long-awaited United Nations report on human rights in Poland, which has just become available here, pointedly avoids making any outright criticism of the Polish government, setting the stage for an angry East-West confrontation at the next session of the UN Human Rights Commission.

The report, which is expected to be debated here next week, was prepared for the commission by Hugo Gobbi, a former Argentine diplomat who now serves as the UN representative in Cyprus.

Four Western delegations — Italy, West Germany, the Netherlands and Ireland — have presented a resolution that sharply criticizes the Polish government and calls for an extension of the UN investigation.

Meanwhile, the governing body of the International Labor Organization, a UN specialized agency, will also be discussing Poland next week. On Wednesday an ILO committee on freedom of association criticized the Polish government for not cooperating.

Delegates and observers at the

rights commission said next week's debate on Poland could prove decisive for the United Nations human rights machinery. Last year, the commission passed by a 19-13 vote a resolution calling on the UN secretary-general's office to order an investigation of human rights violations in Poland. It was the first such action by the commission against an East European country.

Although the Polish delegates blasted that resolution as "unlawful, null and void, politically harmful and morally two-faced," eight nonaligned delegations joined Japan and 10 Western nations in supporting it. Seven other nonaligned states joined Eastern-bloc delegations and voted against the resolution.

This year, observers are predicting a rugged lobbying campaign to win the crucial nonaligned vote, which could go either way. This is mainly due to Mr. Gobbi's late appointment, on Dec. 21, and the Polish government's refusal to allow him to visit Poland.

Mr. Gobbi acknowledges in his report that this has severely restricted his review, and states that as a result he was unable to verify detailed submissions sent to him from the U.S. State Department, the International Committee of the Red Cross, Amnesty International, the Brussels-based International Confederation of Free Trade Unions and other sources.

Most of these submissions concerned charges of ill treatment of detainees. Mr. Gobbi noted that access during 1982 to persons arrested for offenses under martial law (A Red Cross spokesman confirmed Friday that the agency still had not been allowed such access.)

Mr. Gobbi limits his conclusions to what he terms the "normative aspects" — the extent to which Poland has abided by its obligations under international human rights instruments. Here he appears to accept, as he puts it, that the imposition of martial law on Dec. 13, 1981, was based on "international rules."

The nearest Mr. Gobbi comes to outright criticism is to express the hope that "further measures of normalization" will be taken, following the lifting of martial law in Poland on Dec. 31, 1982.

Conference sources predict that the Poles will complain next week that Poland is being unjustly singled out — that other governments accused of human rights violations, notably Turkey, have not been brought before the commission.

Mr. Gobbi's report quotes the Polish Interior Ministry as saying that 10,131 persons had been detained in internment camps under martial law, but that only 317 persons were still interned as of Dec. 8, 1982.

Mugabe Ties Nkomo 'Plot' To Pretoria

Compiled by Our Staff From Dispatches

BINDURA, Zimbabwe — Prime Minister Robert Mugabe stepped up his attacks Friday on the opposition leader, Joshua Nkomo, accusing him of securing South African support to bring down the three-year-old government.

Mr. Mugabe asserted the government was now aware of "a positive link between the external threat from South Africa and the internal activities of Nkomo's dissidents."

"Because ZAPU, in its desperation, is resorting to South Africa for military support we must forever maintain our vigilance and defend our hard-won independence," Mr. Mugabe said at a military parade in Bindura, 40 miles (64 kilometers) northeast of Harare.

ZAPU is Mr. Nkomo's Zimbabwe African People's Union, which draws its strength mainly from the minority Ndebele tribe of western Zimbabwe.

Mr. Mugabe dismissed Mr. Nkomo from the coalition government a year ago for allegedly plotting a coup against the government, most of whose members are from the prime minister's dominant Shona tribe.

Since then, several thousand Nkomo loyalists have deserted from the army to become rebels. Mr. Mugabe, in turn, has dispatched troops to crush the dissidents.

In Bulawayo, the Mashonaland provincial capital, a spokesman for Mr. Nkomo said by telephone that similar allegations had been leveled against Mr. Nkomo before "and are always false and malicious."

Mr. Nkomo had his passport and air tickets to Czechoslovakia confiscated by the police at the Bulawayo airport last Saturday as he was about to leave the country for a Soviet-backed peace conference.

Police said he was under investigation for allegedly making seditious statements and seeking to smuggle currency out of the country in violation of currency control laws.

Former Prime Minister Ian D. Smith also said his passport was confiscated, and on Thursday he said authorities had refused to return it to enable him to visit South Africa for medical tests.

Mr. Smith's passport was seized last year after he criticized the government in Zimbabwe during a visit to the United States.

Police shut down a ZAPU office Thursday in the southern town of Gwanda, arrested four party officials, and seized weapons they said were stockpiled there.

Local newsmen were told that the party members were suspected of smuggling arms illegally, a capital offense.

WORLD BRIEFS

White House Hopeful on Adelman

WASHINGTON (AP) — A White House spokesman said Friday that he believes Kenneth L. Adelman, President Ronald Reagan's nominee to head the Arms Control and Disarmament Agency, stands a good chance of being approved by the full Senate.

The spokesman, Larry M. Speakes, said: "I think it looks good on the floor," referring to the Senate. He said that Mr. Reagan very well could make telephone calls to key senators as a floor vote approaches. Mr. Adelman's nomination is headed for a threatened Senate filibuster after failing to gain majority support in the Foreign Relations Committee Thursday.

The panel sent the nomination to the floor after both supporters and opponents of Mr. Adelman agreed to formally recommend his rejection so the full Senate could act. Tom Griscorn, press secretary to the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee, said that Mr. Baker planned to hold off bringing the nomination up until mid-March. "It will give us more time to work on votes," Mr. Griscorn said.

Court Bars Tabatabai Immunity

DUSSELDORF (Reuters) — A West German court overruled the Foreign Ministry on Friday and refused to grant diplomatic immunity to a former Iranian deputy prime minister, Sadegh Tabatabai, who is on trial on drug-smuggling charges.

Mr. Tabatabai, 39, who is related by marriage to the Iranian leader, Ayatollah Ruhollah Khomeini, was detained at Düsseldorf airport on Jan. 8 after customs officials found 3.5 pounds (1.6 kilograms) of raw opium in his luggage valued at 40,000 Deutsche marks (\$17,000). The case has caused diplomatic embarrassment and political controversy in West Germany.

Three weeks after his arrest, Iran said that Mr. Tabatabai had been on a secret mission as a special ambassador, a claim belatedly endorsed by the Bonn Foreign Ministry, which at first had denied knowledge of his presence. The court said Friday that Iran had not specifically requested immunity for Mr. Tabatabai, only personal protection, which the Foreign Ministry had agreed to grant. Mr. Tabatabai's lawyer said he would appeal the ruling.

Spain Examines Rumasa Holdings

MADRID (Reuters) — State administrators moved into offices of the Rumasa business empire Friday as the government worked out what to do with its vast new acquisition.

The administrators ordered the group's 60,000 employees to carry on business as usual in every sector except Rumasa's 1,180 bank branches which remain closed until Monday.

The takeover of Spain's largest private holding company was decreed by the government on Wednesday to avert a major financial crisis. The government, which pledged to pay fair compensation, said the 340 expropriated companies were highly overvalued and officials said one of the first tasks would be to ascertain their real worth.

The takeover of Spain's largest private holding company was decreed by the government on Wednesday to avert a major financial crisis. The government, which pledged to pay fair compensation, said the 340 expropriated companies were highly overvalued and officials said one of the first tasks would be to ascertain their real worth.



Prime Minister Amintore Fanfani of Italy at a press conference Friday with Prime Minister Margaret Thatcher.

Thatcher, Fanfani Back Arms Plan

LONDON (UPI) — Prime Ministers Margaret Thatcher of Britain and Amintore Fanfani of Italy reaffirmed their support Friday for President Ronald Reagan's "zero option" disarmament proposals.

"We both remain absolutely firm in our support of the 1979 NATO dual-track decision," Mrs. Thatcher said at a news conference after a day of talks. But she said both sides welcomed Mr. Reagan's reiteration in a speech Tuesday that the zero option is not a take-it-or-leave-it offer. Under the zero option, NATO's deployment of cruise and Pershing-2 missiles in Europe would be canceled if the Soviet Union removed its medium-range nuclear weapons.

Mr. Reagan made it clear that his disarmament envoy, Paul H. Nitze, had instructions to explore "any solution consistent with the alliance's principles of balance," Mrs. Thatcher said. She said those principles were equality between the United States and the Soviet Union, the exclusion of British and French nuclear systems from the equation, and proper verification.

For the Record

JAKARTA (AP) — President Suharto on Friday named General Umar Wirahadikusumah, 60, head of the state audit body, to replace Adam Malik as vice president of Indonesia.

THE HAGUE (AP) — The Dutch government has expelled a Soviet diplomat, reportedly for spying, Alexander F. Konovov, a third secretary at the Soviet Embassy, left the Netherlands on Feb. 13 after being charged with espionage, according to an Amsterdam daily, De Telegraaf.

HAMBURG (Reuters) — A senior West German trade union official, Hermann Gassmann, who works for the engineering union IG Metall, was sentenced to two and a half years' imprisonment here Friday on charges that he worked as an East German agent. He was then freed pending appeal. Until the supreme court hears the appeal, the judgment will not have legal force, the Hamburg court spokesman said.

BRUSSELS (Reuters) — The European Parliament's influential agriculture committee said Friday that it favored an increase of 7 percent in prices paid to the European Community's eight million farmers this year. This contrasts sharply with the European Commission's recommendation for a 4.4 percent rise and is the same as that requested by the farm lobby.

LOS ANGELES (UPI) — Queen Elizabeth II and Prince Philip of Britain are to arrive in San Diego on Saturday to start their 10-day visit to the West Coast of the United States.

Barbie Expulsion Tied To Gains for Bolivia

(Continued from Page 1)

Bolivians took no action. Diplomats interested in the case were told, instead, that the government intended to wait until the Supreme Court ruled on an extradition request filed by West Germany in May 1982.

Then, only days before Barbie's arrest Jan. 25, the government's leading minority coalition party, headed by Vice President Jaime Paz Zamora, left the government after a bitter dispute with Mr. Siles Zuzazo.

Among other issues, Mr. Paz's party charged that Mr. Siles Zuzazo's interior minister had failed to act against rightist paramilitary groups and cocaine traffickers — elements to which Barbie had been publicly linked by Mr. Siles Zuzazo himself.

At the same time, the governmental crisis forced the cancellation of trips by Mr. Siles Zuzazo to France and Mr. Paz to West Germany. Three days after Mr. Siles Zuzazo and Mr. Paz would have arrived in Europe, Barbie turned up

at the comptroller's office. Eleven days later, he was on his way to France.

"It was a political decision," said Mr. Paz, who remains vice president. "They had intended to wait for the court, but they needed to do it in that moment — both for external and internal political reasons."

Soon after learning of Barbie's arrest, Bolivian government officials informed diplomats in La Paz that they intended to expel the prisoner. But the process of arranging a departure later began to drag — largely, according to sources here, because of second thoughts by Bolivian officials over the questionable legal measures they were forced to take.

It was then, say sources here, that pressure from France's Socialist government helped decide the quick expulsion. Unlike West Germany, France offered Bolivia an easy method of expelling Barbie to France through its colony of French Guiana — eliminating the problem of stopovers by Bolivia's military transport plane in third countries.

THE NEW YORK HERALD.

100 YEARS

EUROPEAN EDITION—PARIS, THURSDAY, APRIL 2, 1983—EIGHT PAGES.

NO. 2,411

CONDENSED NEWS OF PARIS PRESS TO-DAY.

EARTHQUAKE DEVASTATES SAN FRANCISCO.

WREST OF THIS DAY'S LONDON NEWSPAPERS.

BIRD'S EYE VIEW OF SAN FRANCISCO.



"THE FRONT PAGE 1887-1980"

MAJOR EVENTS OF THE PAST CENTURY AS REPORTED IN THE INTERNATIONAL HERALD TRIBUNE

Reproductions of 129 front pages, many with Herald Tribune exclusive articles: like the first-hand report from the sinking Titanic, the Dreyfus trial, the Venice campanile caught in mid-collapse by a Tribune photographer! Follow coverage of the First World War by one of the few newspapers that stayed in Paris and was virtually edited at the front. Read about people - Queen Victoria, Lindbergh, Jack the Ripper, the Windsors, Stalin - a century of news headlines and the events that surrounded them. Hard cover, 28x38 centimeters, readable-size text. The book is divided into five chronological sections, each with an introduction describing the period from historical and journalistic viewpoints. THE FRONT PAGE is a distinctive personal or business gift. Order one - or several - today. Use the convenient coupon below.

Please send me _____ copies of THE FRONT PAGE
Name: _____
Address: _____
City and Code: _____
Country: _____

U.S. \$32 or equivalent in any European currency - plus postage:
in Europe, please add \$2.50 or equivalent for each copy;
outside Europe, please add \$8 or equivalent for each copy.

Complete and return this coupon with your check or money order in the currency of your choice to:
International Herald Tribune, Special Projects Department,
181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

A PARIS



BD SUCHET

A LOUER
ÉTAT NEUF,

TRÈS BEL
HOTEL
PARTICULIER

à usage de
HABITATION

BUREAUX D'AMBASSADE
RÉSIDENT D'AMBASSADEUR.

S'adresser à M. SING
9, rond-point des Champs-Élysées, Paris-8
tel. 359.14.70

Reagan Names New Officials In Bid to Rescue EPA Image

WASHINGTON — President Ronald Reagan, hoping to improve the battered reputation of his administration's enforcement of environmental law, has appointed three managers to replace the officials he had either dismissed or forced to resign from the Environmental Protection Agency.

White House officials also said Thursday that Fred P. Fielding, the White House counsel, is assembling memoranda and "issue alerts" sent from the EPA to various officials over the last year as he begins the examination of whether there has been political manipulation of the toxic waste program.

The deputy White House spokesman, Larry M. Speakes, said the three replacements at EPA and the appointment of two other officials had been undertaken to give the EPA a "fresh new start" and to improve the management capacity of the agency.

But he insisted that Mr. Reagan was "absolutely and totally behind" Anne-McGill Burford, the head of the agency for the last two years, and that she had been fully

involved in the selection of her five new assistants.

The president named Lee M. Thomas as the acting replacement for Rita M. Lavelle, who headed the EPA's hazardous waste program until she was dismissed by Mr. Reagan on Feb. 7. Mr. Thomas, an official at the Federal Emergency Management Agency, led a federal task force formed to control the dioxin problem at Times Beach, Missouri.

The White House also announced the replacements for Matthew N. Novick, the agency's former inspector general, and John P. Horton, its assistant administrator for administration. Both men were forced to submit their resignations Wednesday.

For the new inspector general, Mr. Reagan chose Charles Dempsey, who now holds the same position at the Department of Housing and Urban Development. To replace Mr. Horton, he selected Alfred M. Zuck, currently a management specialist in the EPA.

The two other appointments announced by the White House were Courtney Riordan as acting assistant EPA administrator for research

and development and Lee L. Venzon as acting assistant administrator for legislation.

In another development, a team of FBI agents began questioning EPA employees in response to Mr. Reagan's announcement at a news conference last week that he had ordered the Justice Department and the FBI to make an investigation "into every charge that is made" about the agency.

Mr. Speakes declined to answer questions about whether the decision of the president to appoint new officials to the EPA did not suggest that Mrs. Burford had been a poor administrator. "We're not going to rehash, we're going to move forward, and that's what's important," he replied.

In regard to Mr. Fielding's inquiry into the possibility of political manipulation of the toxic waste program, White House officials, who asked that they not be identified, said no evidence of any such manipulation had emerged thus far. However, officials disclosed that roughly from April to September last year the EPA sent periodic "issue alerts" directly to Edward J. Rollins, the White House director



Lee M. Thomas



Charles Dempsey



Alfred M. Zuck

of political liaison, referring basic environmental policy questions to the White House.

The practice was discontinued after it was deemed "inappropriate" for direct communications from the environmental agency to go to an office concerned solely with politics, a White House official said.

Some members of Congress have charged that the EPA withheld funds or timed the announcement of cleanup efforts to help Republican political candidates in the election last year.

Several White House officials

said that no such coordination had been done through the White House. One official said that such coordination might well have been carried out between some officials at the environmental agency and the political candidates themselves.

A senior White House official said Mr. Fielding had been directed to determine the extent of such political involvement.

■ **Data on Contacts Sought**

White House staff members have been ordered to report any contacts they have had with the EPA to Mr. Fielding, Mr. Speakes said

Friday, according to The Associated Press.

Mr. Speakes said the White House counsel was collecting the reports from staff members, based on their files. He said this step was being taken on the orders of the chief of staff, James A. Baker 3d.

"To date, we have found nothing that would indicate any wrongdoing, any improper activity," Mr. Speakes said. "This is a review to make absolutely certain that no one in the White House had had any improper activity concerning EPA."

Reagan Largely Backs Democrats' Job Bill But Suggests Changes

By Helen Dewar
Washington Post Service

WASHINGTON — President Ronald Reagan has indicated that he agrees with three-fourths of a proposal drafted by the Democrats for jobs and recession relief, but he has called on Congress to modify the rest of it.

"We have come a long way toward bipartisan agreement," Mr. Reagan said Thursday. He described a proposal advanced by Democratic leaders of the House Appropriations Committee as "largely consistent" with a framework for anti-recession legislation worked out earlier by House leaders and White House aides.

Mr. Reagan referred to the package as a \$4.4-billion plan, but additions were expected to be proposed.

Mr. Reagan's remarks were interpreted on Capitol Hill as a call for continued cooperation and, at the same time, for restraint in adding to his initial offer of an extra \$4.3 billion for jobs and aid to those hurt by the recession.

In a written statement after a meeting between Thomas S. Foley of Washington, the House Democratic whip, and James A. Baker 3d, the White House chief of staff, Mr. Reagan said:

"Seventy-five percent of the House committee chairman's package consists of funding for necessary federal construction, repair and renovation work and appropriate humanitarian aid. However, some elements of the package do not constitute acceleration of already budgeted items, and thus would unnecessarily increase the deficit."

He said these elements should be "targeted on higher-priority, job-related federal expenditures."

One administration source said Mr. Reagan objected to the Democrats' inclusion of about \$500 million for economic development, aid to small businesses and what he referred to as "tree-planting" money; \$450 million in public works money that he felt could not be spent quickly enough; and \$242 million for social welfare programs that he believed would not create jobs.

But one Democratic source contended that as much as \$1.5 billion of Mr. Reagan's earlier proposal amounted to "funny money," including funds that Congress would have required to be spent anyway.

Despite Mr. Reagan's objections to some proposals in the Democratic bill, an administration source said the president would not necessarily object if the money were spent on other job-creating

projects, such as port development and highway and airport projects that the president recommended and the Democrats deleted.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

Kuwait Is Said to Plan Purchase of Mirages

The Associated Press

PARIS — Kuwait plans to buy 20 Mirage-F1 jets from Avions Marcel Dassault-Breguet Aviation, French aircraft industry sources said Friday. The Defense Ministry refused to confirm or deny the report.

On Tuesday, Kuwait announced the signature of a contract with the Dassault-Breguet, without giving details.

He said these elements should be "targeted on higher-priority, job-related federal expenditures."

One administration source said Mr. Reagan objected to the Democrats' inclusion of about \$500 million for economic development, aid to small businesses and what he referred to as "tree-planting" money; \$450 million in public works money that he felt could not be spent quickly enough; and \$242 million for social welfare programs that he believed would not create jobs.

But one Democratic source contended that as much as \$1.5 billion of Mr. Reagan's earlier proposal amounted to "funny money," including funds that Congress would have required to be spent anyway.

Despite Mr. Reagan's objections to some proposals in the Democratic bill, an administration source said the president would not necessarily object if the money were spent on other job-creating

projects, such as port development and highway and airport projects that the president recommended and the Democrats deleted.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

House Speaker Thomas P. O'Neill Jr., a Massachusetts Democrat, said he expects the House to complete the job bill and send it to the Senate by Wednesday. A second package of longer-term aid will be prepared by mid-April.

Meanwhile, a House Ways and Means subcommittee overrode Mr. Reagan's objections and approved up to 10 additional weeks of unemployment benefits in states hardest hit by the recession, bringing the maximum aid duration to 65 weeks in some states.

In their version of the legislation, the Democrats considerably reshuffled Mr. Reagan's spending proposals, including transferring money from public works projects to social welfare programs. But the White House also objected to some public works spending that the Democrats added, including waterway projects and rural water and sewer grants.

New Disease in Monkeys May Aid Research on Rare Human Illness

By David R. Zimmerman
Washington Post Service

WASHINGTON — An epidemic of a disease with strong similarities to a deadly human immunological disorder called AIDS has occurred among research monkeys in California and Massachusetts, possibly providing a valuable research tool for investigating human AIDS.

The outbreaks affected some cages but not others, reinforcing researchers' beliefs that AIDS, an acronym for acquired immune deficiency syndrome, is a communicable disease caused by a virus or other micro-organism spread through close physical contact. This theory was reported in the Feb. 19 issue of *Lancet*, a British medical journal.

AIDS has been recognized only in the past few years. It has been identified among sexually active male homosexuals, intravenous drug users, travelers from Haiti, hemophilia patients who receive frequent blood-product transfusions and children of persons in those categories.

As of Feb. 2, the federal Centers for Disease Control in Atlanta had reported more than 1,000 AIDS cases, of which 394 were fatal.

According to the *Lancet* article, a similar syndrome killed 24 of 64 rhesus monkeys in 15 months at the California Regional Primate Research Center, which is affiliated with the University of California at Davis.

A veterinarian at the California center, Roy W. Hemrickson, said the disease closely resembled human cases of AIDS. The animals' body defense mechanisms failed, leaving them prey to infections they normally could throw off, including some of the same infections that kill human AIDS victims.

The monkeys had swollen glands, diarrhea, fever, anemia, weight loss and skin disorders, all of which are found in human AIDS victims. All died. But, where most human victims have been male, all 24 monkey victims were female.

The researchers said three monkeys developed a cancer, previously unseen at their facility, which invites comparison with Kaposi's Sarcoma, a rare skin cancer that is killing a high proportion of homosexual AIDS victims.

Both Dr. Hemrickson and Norval W. King, associate director of Harvard University's New England Regional Primate Research Center, say they believe that earlier epidemics at their facilities, which resulted in many deaths of monkey deaths, also may be attributable to AIDS.

Researchers see the sick monkeys as a valuable research tool—the first candidate for an animal model of human AIDS—that could provide insight into the immune mechanisms and possible roles of viral and toxic agents in AIDS.

Mr. King and other researchers say they do not know how AIDS entered the monkey colonies. They say they have no evidence that AIDS was communicated to the monkeys by humans.

WASHINGTON — The Justice Department has decided that three Canadian films, including a documentary on nuclear war that has been nominated for an Academy Award, are "political propaganda" and may not be shown in the United States without a disclaimer stating that the U.S. government does not approve of them.

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

WASHINGTON — The Justice Department has decided that three Canadian films, including a documentary on nuclear war that has been nominated for an Academy Award, are "political propaganda" and may not be shown in the United States without a disclaimer stating that the U.S. government does not approve of them.

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

The department also wants a list of organizations that have asked to see "If You Love This Planet," as well as two films on the environmental hazards of acid rain entitled "Acid From Heaven" and "Acid Rain: Requiem or Recovery."

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Divisive Food Wealth

The specter of world food shortages has receded, thanks to good weather and modern technology, but gains in farm productivity are not welcomed everywhere. Food surpluses bitterly divide the developed nations. Cool heads will be needed to prevent farm issues from further poisoning the Western alliance.

Common sense suggests that most of the world's food be grown where climate is favorable and fertile land is abundant. Surpluses would then be traded for manufactures and services produced where land is scarce. The breadbasket countries — the United States, Canada, Argentina, Australia, New Zealand — do export a lot of food. But less efficient farmers in other countries fight hard to preserve their incomes and ways of life.

Japan's tiny farm sector uses disproportionate influence over the country's ruling party to shut out rice, beef and citrus fruit. The effect on American farmers is slight; an end to Japan's import quotas would add just a few percent to America's \$40 billion in farm exports. The same cannot be said of Europe.

European farmers have transformed the Continent in the last decade from a minor net exporter of food into a powerful rival of the United States in world markets. America is no free-trade innocent in a world of protectionist sharks. U.S. quotas lock out foreign meat, dairy products and sugar. But Europe's surpluses pose the greater risk to trade.

The aggressive marketing of surplus European wheat and sugar has depressed world prices and infuriated America's farmers. The U.S. Congress has responded by authorizing \$700 million for farm export subsidies. President Reagan is also using existing authority to subsidize the sale of surplus American flour to Egypt. The European Community

might retaliate with competing subsidies. As likely, and more ominously, it might restrict imports of American food or manufactures.

How to prevent such a trade war? Many Europeans would like to set up a food export cartel. An informal agreement with New Zealand to limit dairy exports, they say, has worked to maintain high prices. A similar deal to store, rather than dump, surplus grain might indeed make sense in the short run. But in the long run a cartel would probably not be workable: the temptations to cheat would be enormous. And it certainly would not be desirable. The goal, after all, is efficient specialization, and that requires more trade, not less.

Somewhere, Europe and Japan simply have to assert control over their farm lobbies. The prosperity of the developed nations cannot be mortgaged to the interests of a few million farmers. The United States has a right to press for diplomatic agreements.

It would not, however, serve either the American interest or that of the alliance to demand immediate, politically unrealistic remedies. Europe might be asked to hold sales of surplus grain in contested markets to current levels or less, but it cannot be expected to coax farmers off the land as long as there is 10-percent unemployment in the cities. Nor can Japan quickly toss out the economic and political rules that have governed since 1945.

The required patience comes hard. American politicians, too, must deal with farm blocs. But it is worth remembering what happened last year when Mr. Reagan tried to stop the Common Market from buying Soviet gas. All he earned for his trouble was ill will. There is nothing to be gained, and much to be lost, from demanding the impossible.

—THE NEW YORK TIMES.

Reagan: A 'Homeland'

No single word has been hotter longer in the Middle East than "homeland," as applied to the efforts first of Jews and then of Palestinians to claim a place of their own. So historically and emotionally freighted is the word that it is difficult to imagine that President Reagan, given as he is to casual statement, could have misused it the other day. "We can't go on with [the Palestinian] people in not providing something in the nature of a homeland," he said, adding, "On the other hand, no one has ever advocated creating a nation."

It seems clear what Mr. Reagan has in mind. His strategy for the Arab-Israeli conflict centers on drawing King Hussein to the peace table to speak with Israel for Jordanians and Palestinians alike. The formulation "something in the nature of a homeland," as inadequate as it is to all-or-nothing nationalists, is a ratcheting of the Reagan commitment and is obviously meant to give the king the extra edge of word and hope he needs to take that momentous step to the table.

Yet for the United States to offer Palestinians statehood would, among other things, break repeated American vows to Israel and ensure an instant Israeli foreclosure of any talks. Hence Mr. Reagan's hasty balancing act to Israel — "no one" — meaning, presumably, no one in his administration — "has ever advocated creating a nation."

Whether Mr. Reagan's readiness to meet Palestinian nationalism halfway will help lure the wary king may be known in the next few weeks. It is not the president's only contribution to that end. He is stepping up his calculated expressions of impatience with Israel's pace and style in its negotiations with Lebanon, and endorsing the Lebanese aim of ending the occupation rather than the Israeli aim of creat-

ing a new political tie. As an inducement and alibi-shredder for Israel, moreover, he pledges to "guarantee" Israel's northern border if the Israelis will quickly remove their troops, by putting Americans in a multinational force on the border until Lebanon can take over the job. His idea is not simply to relieve Lebanon but to give King Hussein a further demonstration of American seriousness.

Prospects in Lebanon are not altogether bleak. Lebanon is prepared to go a long way to accommodate Israeli security requirements. Ariel Sharon, with his special personal investment in the Lebanon war, is gone from the Defense Ministry. The Americans are pushing. A staged withdrawal remains conceivable.

The prospects on the Palestinian side are another matter. It is perhaps a plus that the PLO, rendered militarily impotent by the Israelis, has made itself impotent politically. That gives King Hussein and his natural Palestinian partners, the more pragmatic West Bankers, a wider opening. The closer he comes to talks, however, the tougher Israel's resistance may be. The Begin government insists it will negotiate only in the old Camp David framework, not in the revised Reagan framework of last Sept. 1. Mr. Reagan had thought to revive Israeli Labor opposition by his peace plan, but Labor may be slipping both in its dedication to territorial compromise and in the possibility of its return to power. Arab moderates are torn between urging Washington to put the squeeze on Israel and fearing that it will try and fail.

We think Mr. Reagan is right to move toward making good on his Sept. 1 plan. Presumably, he is under no illusions as to the difficulties that he ahead.

—THE WASHINGTON POST.

Other Opinion

Israel: More of the Same

The public pressure that led to the Kahan inquiry constitutes a textbook example of democracy in action. A free press fearlessly exposed a great scandal close to the government. An aroused public opinion demanded a full and fair inquiry which the government dutifully conceded. The inquiry's report named names and severely censured high officials. It called for the resignation or removal from office of a powerful and popular minister. The minister was in fact removed from his key post, though not from the cabinet.

Democracy doesn't often produce such a clear-cut response in abuses. It is rather more likely to fudge and to whitewash. So one might think that Israel's democracy deserves commendation, for the health of its response, from supporters of the democratic system everywhere. (Just as the American democracy earned commendation over Watergate.) The fact is that those who desire Mr. Begin most are drawn in disparage Israel's democracy for those impulses which the Reagan administration considers to be the most negative.

on in power in the same way, so if you think Mr. Begin is an unbearable disaster, you will be tempted to write off the democracy itself, and the majority of the people of Israel. This is a temptation which I feel should be resisted.

—Conor Cruise O'Brien in The Observer.

When Moshe Arens left his job as the Israeli ambassador in Washington and went home to replace Ariel Sharon as minister of defense, the bot topic was: What difference would it make? The prevailing view was that the change would certainly buff some of the rougher edges in U.S.-Israeli relations. Mr. Arens being a smooth operator and Mr. Sharon being a roughneck with no reluctance to denounce U.S. policy out loud. But Mr. Sharon is staying on. As a minister without portfolio, he will be a member of a cabinet defense committee as well as of the Israeli team conducting negotiations over Lebanon. So we are talking not about Arens instead of Sharon, but about Arens-plus-Sharon. That can only mean positive reinforcement for those impulses which the Reagan administration considers to be the most negative.

—Philip Geyelin in The Washington Post.

FROM OUR FEB. 26 PAGES, 75 AND 50 YEARS AGO

1908: Exhaust Remedy Claimed

PARIS — One of the early objections to automobiles was that the odor which followed their passage through the street was not exactly pleasant. Many improvements have been made, but the question of smoke and smell abatement has remained a pre-eminent one. M. Max de Nansouty, in the "Temps," describes a new statement apparatus which M. Guasco, an engineer, has invented. It is attached to the exhaust pipe at the rear of the automobile. The gases from the exhaust consequently are driven from the exhaust, colorless and odorless. If the invention accomplishes what is claimed for it, it will be welcomed by all automobilists, who are continually in peril of summonses for smoking exhausts.

1933: Cermak's Outlook Critical

MIAMI — Chicago's Mayor Anton Cermak, who was sinking rapidly after a sudden turn for the worse, early [last night] was reported slightly improved. The latest bulletin, however, expressed fear and said his state was still critical. Dr. Nichol, one of the attending physicians, said, "I am frankly pessimistic about his chances for recovery," but Dr. Jirka, son-in-law of the sick man, expressed belief that the chance of recovery was good. The sudden turn came as a surprise to doctors and friends yesterday. He had been reported as steadily improving since he received a bullet in the abdomen on Feb. 15 to the attempt on the life of Franklin D. Roosevelt in Bay Front Park here.

JOHN HAY WHITNEY (1904-1982), Chairman

KATHARINE GRAHAM and ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUEBNER, Publisher

OLAND PERSON, Editor

RENE BONDY, Managing Editor

FRANCOIS DESMAISONS, Deputy Editor

RICHARD H. MORGAN, Deputy Editor

STEPHAN W. CONAWAY, Associate Editor

Associate Publisher

Director of Finance

Director of Circulation

Director of Advertising

Director of Operations

International Herald Tribune, 181 Avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France. Telephone 747-1265. Telex 612718 (Herald). Cables Herald Paris.

Directeur de la publication: Walter N. Thayer.

Gen. Mgr. Asia: Alain Lecoz, 24-34 Hennessy Rd. Hong Kong, Tel. 2-283618. Telex 61170.

S.A. au capital de 1.200.000 F. RCS Nanterre B 73021126. Commission Paritaire No. 34331.

U.S. subscription: \$250 yearly. Second-class postage paid at Long Island City, N.Y. 11101.

© 1983, International Herald Tribune. All rights reserved.



Debt Crisis: Time to Brake Loan-Happy Banks

By Hobart Rowen

WASHINGTON — The Reagan administration came late to an understanding of how important it would be to beef up the role and resources of the International Monetary Fund to meet the global debt crisis. But better late than never.

The administration, under the leadership of Secretary of State George Shultz and Treasury Secretary Donald Regan, is doing a pretty good job. Nevertheless, it has not yet summoned up the courage to put the brakes on some of the free-wheeling international bankers who have helped mess up the world's economy.

Less than a year ago, at meetings in Paris and Helsinki, Treasury officials were saying that perhaps the IMF didn't need any expansion at all in its members' deposits.

But, frightened by the threat of a Mexican default that would have hit North American banks particularly hard, not to mention problems in Argentina, elsewhere in Latin America and in Eastern Europe, the Treasury last summer switched signals.

Coincidentally, on July 15, Mr. Shultz was confirmed as secretary of state. He is the first economist to hold that position, and the first secretary who appreciates that, in the tenuous contemporary world, at least half of foreign policy is foreign

economic policy. Since then the administration has been saying and doing more of the right things.

It supported an increase from \$7 billion to \$19 billion in the emergency package provided by the United States and 11 other rich nations, and a 47.5-percent increase in quotas voted by the IMF on Feb. 11. That was a start, but not a full solution.

After initial denials it has now been confirmed by Undersecretary of Commerce Lionel Oimer that the Reagan administration has begun a study of dramatic ways to defuse what Mr. Shultz aptly called the international "debt bomb." This would involve consolidation of some of the \$700 billion in Third World debt, acknowledging by implication that some of it will never be paid off by regular methods.

Among the possibilities being kicked around, although Walter Wriston and some other big New York bankers have told the administration it is a bad idea: Richer governments might take over some loans that poor countries can't pay off. Such refinancing would, of course, mean that some international banks, such as Citibank, might have to accept large losses.

For the moment the main issue is how to get Congress to approve the administration's request for authorization of \$8.4 billion for the American shares of the enlarged IMF emergency funds. The way to regard this \$8.4 billion, as Mr. Shultz told the Senate Foreign Relations Committee last week, is as "an investment in international financial well-being."

What many congressmen fail to understand, as they resist the notion of \$8.4 billion for the IMF, is the degree in which the United States has become dependent on the health of the smaller nations. According to Mr. Shultz's testimony, the non-OPEC Third World countries take together buy 30 percent of U.S. exports, which is collectively more than either the European Community or Japan. "On the other side of the trade ledger, they supply about 25 percent of the goods we import for use by our factories," Mr. Shultz said.

A nagging question on Capitol Hill is why the U.S. government, acting through the IMF, should "bail out" the banks. The administration's response — and that of the IMF — is that it is not a bail-out but a "bail-in," because the IMF, by extending new loans, is requiring the banks to

maintain their loan flows. But in truth there is an element of bail-out in the IMF exercise, not only of the banks but of the borrowing countries themselves. And everybody is now stuck with it, as the lender of evils.

The lenders and the borrowers all bet on export growth, continued inflation and loan repayments with cheaper dollars. They all expected the price of oil to go straight up and never come down. They were all wrong. They got stagnation, deflation, higher real interest rates and a collapse in the price of oil.

Now cool heads will have to prevail. The Reagan administration needs to pursue its strong pitch for the added IMF funds, and follow through on debt consolidation, regardless of whether it hurts the banks. Even with added quotas, the IMF will be short of funds this year and needs to figure out ways of borrowing more to the private markets.

And Congress and the Reagan administration together should work out reasonable rules to prevent greedy bankers from getting overextended in future foreign and domestic lending. Here the administration's fixation with deregulation may be getting in the way of an otherwise commonsense approach.

The Washington Post.

Debt Crisis: Why Throw Good Money After Bad?

By Melvyn B. Krauss

NEW YORK — Bemoaning the lack of attention paid to its 1980 report, Willy Brandt's Independent Commission on International Development Issues has produced a sequel insisting that its recommendations be implemented to avert world "anarchy." While it is true that economic conditions have worsened in the intervening years, the commission's pronouncements make no more sense in 1983 than in 1980.

Cynics might conclude that the Brandt commission's preoccupation with ruin and collapse follows logically from its membership — mostly former government leaders whose various defenestrations have forced them to look for new pulpits from which to preach the policies for which they were given the boot.

The commission is an ad hoc body and has no basis in law — only the aura of respectability that usually accrues in councils of elders.

Its recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

It is not that the commission's recommendations are a series of variations on the same theme: that rich industrialized nations should immediately begin large-scale transfers of wealth to poorer nations as a means of tiding them through the current liquidity crisis and forestalling revolutionary upheaval. There is a certain attractiveness to the surface logic of this argument.

There is the implication of guilt for the "have" nations, who greedily produce and acquire vast surpluses of goods. And there is the corresponding assumption of innocence for the "have-not" nations, whose economies have been buffeted by such uncontrollable factors as the steep rise in OPEC oil prices and the ravenous depredations of multinational corporations. Like a John Wayne movie, however, the good guys in the Brandt scenario are just too good, and the bad guys too bad, to be believed.

Brandt II calls for a major new allocation of special drawing rights to be distributed to the less-developed countries on the basis of need. Special drawing rights are nothing more than international credit money, backed by IMF reserves.

Making major new allocations of special drawing rights to bail out Third World debtors would have two devastating consequences:

• The expansion of drawing rights would fuel a new round of inflation by effectively increasing the world's stock of money without accompanying creation of new output.

• Allocation of scarce credit on the basis of need would steer resources to the very nations that had

most badly mismanaged their economies and created the worst debts. By rewarding economic incompetence, the commission would encourage it.

The call for increases in direct foreign aid contained in Brandt I and II reveals a great deal about the mind set of the Brandt commissioners. Experience shows that Third World economies that have broken free of dependence on U.S. foreign aid have managed to grow at the best rates.

Two examples, Taiwan and South Korea, illustrate this point. Huge amounts of U.S. foreign aid distributed to those countries in the 1950s and early 1960s failed to produce growth and simply buttressed their stagnant, protectionist economies.

When aid was cut off for political reasons in the mid-1960s, both countries were forced to change economic strategies, and both adopted outward-looking, export-oriented policies, making investment attractive to outsiders by low-tax, high-incentive domestic policies.

Today both countries, like several of their Pacific basin neighbors, are enjoying sufficient levels of prosperity to withstand the current deep recession without panic or "anarchy."

By comparison, India, Ghana and

Indonesia, which have continued to depend on substantial infusions of foreign aid, have languished.

No one can deny the seriousness of the financial crisis confronting many developing nations. It is true that huge Third World debts are causing sleepless nights in government capitals of the South and financial capitals of the North. But careening cash flows imposed by increases in world oil prices are only part of the problem. The most persistent crisis — the general failure of Third World nations to thrive — can be solved only by adoption of long-range growth policies within the domestic economies of those nations.

No volume of income transfers will be great enough, no patchwork reassembling of the international banking system will be comprehensive enough, if developing countries fail to cut the apron string by which they are bound to developed countries.

The Brandt commission is urging amplification of the policies that have created the very conditions it claims to abhor.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

The writer is an economist at the Manhattan Institute for Policy Research and author of "Development Without Aid." He contributed this column to The New York Times.

No Alliance Without A Purpose

By Brandt Ayers

PARIS — The surfaces of the North American and European continents are such noisy places that no one can hear the signs of a neglected dream. But who gives a damn about dreams anyway? Not the serious people who pore over economic and defense issues with a concentration that shuts out all other thoughts.

People in office buildings, parliament, foreign and defense ministries, American embassies and 10 print and electronic newsrooms hear only the screaming gains of an economic system out of sync; the imagined roar of Pershing-2 and cruise missiles taking off from European soil; the answering blast and starburst shock of Soviet SS-20s falling on Europe's old cities; and the crowds in those cities chanting, "Ich habe Angst" (I am afraid).

Who has time to think about myths — even the wise and bonding faith present at the formation of the Western alliance in the late 1940s? Why worry if that myth has fallen into neglect and disrepair?

Why? Because people and nations and families of nations cannot endure without purpose, without some community of faith — a spiritual North Star that guides their actions. William H. McNeill, the University of Chicago historian, wrote in last fall's issue of Foreign Affairs, "Discrediting old myths without finding new ones to replace them erodes the basis for common action."

There are still some believers, of course. One of them is the associate director of the French Institute of International Relations, Dominique Moisi, who said: "The problem for the West is to focus the debate on why deterrence and defense are needed in the first place. The geography of values, on which the alliance once was based, must be restored."

He was talking about the civil religion which brought the Western family together 35 years ago in voluntary agreement on economic, political, religious and cultural ideals. The three temples to that faith were the Marshall Plan to restore economic and, thus, social and political stability in Europe; the Fulbright exchange program to transmit ideals and values through a commerce of the mind and spirit; and NATO, a fraternity of arms to defend all those things.

Delegations from Europe and America met in Bonn last month to inquire into the state of that old faith. The initiative for the conference came from one of its temples — a U.S. presidential board, the Board of Foreign Scholarships, which supervises the Fulbright program.

These accomplished citizens from two continents achieved consensus on two points: There used to be a community of values, a sense of being part of a greater whole and a harmony with its spirit; and the bonding power of that unspoken agreement is rapidly weakening. There was no similar consensus about what has gone wrong.

To one observer who was there in Bonn and has been thinking and studying about this issue for several years, a persistent theme keeps emerging. At the end of World War II there was such an equilibrium between values and interests that they seemed to be one and the same. That balance of values and interests was stated in a sentence from a Secretary of State, George Marshall's Harvard speech outlining the Marshall Plan: "The purpose should be the revival of a working economy in the world as a means to the emergence of political and social conditions in which free institutions can exist."

Today there seems to be little harmony between interests and values and uncertainty about purpose.

The economic miracle has lost appeal for young people who question a system that produces and consumes while much of the world goes hungry.

American nuclear superiority had two great values: It kept the Russians at bay, and American missiles were cheaper than European armies which would have to be paid, fed, clothed, housed and equipped. But there is nothing reassuring about the strange calculus of nuclear parity — mutual assured destruction.

Around the table in Bonn there was agreement that the old spiritual center of Western values needed to be recaptured or redefined. The conference proposed a second, more flexible meeting in Europe — now being planned — to bring together statesmen from politics, diplomacy, science and journalism to try to define Western values and interests today.

Without a purpose and values to defend, NATO has no meaning.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

The writer is publisher of The American (Alabama) Star and chairman of the European Subcommittee of the Board of Foreign Scholarships.

BUSE

West Germa
Balanced. T

No New Gru

Romania Res

Disney Shuff

Soviet Loan I

France Seeks

AEG-Telefun

Company Not

Indonesi

Letters to the Editor

Unconventional Wars

Recalling Khrushchev

This and Also That

ARTS / LEISURE

Explorations on the Fringe

By Soren Melikian
International Herald Tribune

PARIS — Many dealers dream of exploring the fringe areas of art where discoveries are still to be made. Few have the guts to do it. Buying atypical items means taking a huge chance. In order to be easily available, works of art require easy identification or, failing that, some familiar element in their

THE ART MARKET

appearance that lends itself to visual comparison.

One gallery at least, the Galerie Yves Plantin, is currently disregarding this rule with its exhibition of Rupert Carabin's drawings. It is hard to think of anything less familiar than the work of Carabin, or indeed, any creator more difficult to categorize than this self-taught Alsatian refugee in Paris who was a sculptor, a draftsman, a pottery designer, a cabinetmaker, and one or two more things.

In the gallery's modest window at 33 Rue de Seine, a single exhibit

aptly summarizes the weirdness of his vision. The stoneware object is called "Fontaine" but it can hardly have had much practical use. Shaped like a water skin of sorts, it serves as a pedestal to a woman lying on top of it. Her naked body seems to be tense, in an effort not to slip off her uncomfortable couch, as she looks down at some invisible trickle of wine or water. The subdued glaze combines deep purplish red enamels running over a moiré brownish layer. The piece was made in the 1980s and is not unlike any other stone ware of the period or of later times. Only the color of the glaze is typical of its period — it is a moot question whether the "Fontaine" qualifies as a sculpture or as a potter's effort.

Despite the medium employed, on second thought, sculpture is the better word. The almost obsessive attention paid to muscular details betrays the hours that Carabin spent in his youth watching anatomical dissection in a medical laboratory and even more so the living he made some time later from tak-

ing plaster molds of faces or hands of deceased loved ones at the request of their families.

But this is nothing compared with the extravagance of the piece of furniture that towers above the entire exhibition, a bookcase of carved wood and wrought iron carrying the date 1890 deeply incised below the cornice. When asked about it, Yves Plantin notes with unfeigned humor that it is not part of the exhibition. The three-meter-high structure is its inevitable focal point as well as the ultimate key to the drawings.

Naturalistically carved ivy in high relief climbs up to the cornice. The flat top carries three female figures carved in the round. The legs of the figure on the far right dangle over the corner as she looks at her two companions seated on books at the opposite end. Part of the lower section of the bookcase is hidden by a panel with bas relief carving that serves as a hanging door. The rest of it has hinged glass doors behind which appear shelves partly concealed by forged iron palm tree rising from the bottom. It is a fantastic sight, almost as weird today as it must have seemed in 1890. Carabin created it for his first patron, a rich engineer. He spent the better part of a year on the job. It finally cost his benefactor 10,000 francs at the time.

The bookcase determined the course of his artistic activity for the next few years. It had involved a large number of drawings. From that time Carabin continuously trained himself to draw from life as quickly as he could. Part of the result is to be seen in the exhibition: silhouettes of women in the nude quickly dashed off in black crayon on a sheet of paper that are miles apart from the belated academic sketches he did in his earlier days.

Yves Plantin says that some viewers see a similarity with Egon Schiele's drawings — with his harsh unflinching perception of woman. These studies served for multiple purposes — furniture, bronze making, pottery, even some gold and silver wares.

Carabin worked a lot but produced little. All told, he made less than 30 pieces of furniture. Furniture is hardly the right word since the volumes and shapes are mere excuses for sculpture. Although the exhibit has not been used to competition with his work, he created the only furniture that can be truly called sculptural. When commissioned to do a cabinet for *objets d'art* he carved a stand in the form of a naked woman kneeling and tying herself to the trunk of a tree, a casket being supported by the trunk. The woman is a symbol of temptation while the bas relief carved on the door illustrates the idea of "art rejecting wealth."

Carabin's furniture can plausibly be argued to be the true beginning of Surrealist art some 30 years before Dada. One of his most remarkable pieces is a writing table which he carved out of solid walnut to 1896. The heavy rectangular top is designed like a heavy leather-bound in folio volume. This rests on a trestle-like stand of asymmetrical shape, two feminine figures apparently clinging to the geometrical legs although they are actually part of the supporting structure.

If proof is needed that true novelty does not pay, this is provided by the fate met by this table together with four other pieces — including a second writing table of similar inspiration (a book carved by four standing women and the book-case dates 1890).

All five pieces were sent for auction in 1969 by the heirs of Carabin's patron, and were sold at Drouot in 1969 as single lot just under 150,000 francs.

At no point was there the slightest display of interest in museum circles — there was no talk of the 19th-century art museum then. The five pieces could have been "pre-empted" by the Réunion des Musées Nationaux (national muse-



Study by Rupert Carabin in 1905 for a bookcase figure.

ums agency) but weren't. Since then things have changed. Yves Plantin was approached several times by museum representatives with a view to buying the bookcase sold at Drouot, which he now owns — but he isn't selling it. "That is something you get only once in a lifetime," he observes. It is the earliest, and one of the few dated specimens of Carabin's furniture. It is also one of his most astonishing works.

The very same indifference that was displayed towards the furniture in 1969, and after, now affects the drawings. Since the exhibition at 33 Rue de Seine opened three weeks ago, only two of Carabin's drawings have been sold. The price bracket — 2,000 to 4,500 francs — is normally one in which there is a constant demand from French buyers. While the sketches come nowhere near the furniture in boldness and creativity, they are still the basis without which there would be no furniture. Not many buyers seem to have taken notice.

The Current Interest in Everyday Objects, a.k.a. Junk

By Michael Gibson
International Herald Tribune

PARIS — There is a mild, melancholy pathos about a flea-market, where the objects are lined up on the sidewalk or on makeshift tables, or just because they were homeless. They are mostly useless objects which at one time had their place in somebody's world, either because they were a reminder of some person or event, or because they sat safely forgotten beneath the kitchen sink. But then came death, or just a housecleaning, and they found their way, by devious paths, to the sidewalk where they stand in ragged order, like the vestigial dust of all human activity.

The current exhibition at ARC is devoted to a number of artists who are interested in banal objects, the objects of daily life, and attempt to integrate them into a work of art where their graceless presence acquires a sort of coherence.

Thus Tony Craig (b. Liverpool, 1949) who assembles plastic detritus of like color into a pattern on the floor or the wall; thus Gloria Friedmann (b. Kronach, 1950) who shapes a "rainstorm" out of a batch of plastic garbage bags, or transforms a tin drum into a circus or a metal table into a hawthorn bush by peremptorily slashing them with white paint; thus David Mach (b. Scotland, 1956) who takes large quantities of old photographs and piles them into a shape an Eiffel Tower or a submarine plowing through the waves; thus Daniel Tremblay (b. Angers, 1950) who uses such things as plastic parrots, phonograph records and shoe brushes to produce bizarre and humorous little scenes.

Other artists in the show, equally deserving of notice on the whole, are Etienne Bossut, Alexandre Gherban, Bertrand Lavier, Patrick Sautour, Jean-Luc Vilmoth and Bill Woodrow.

Also at ARC, though in a separate space, is a show of works by the Swiss artist Markus Raetz (b. 1941). His presence in the neighborhood of the foregoing artists is quite appropriate because Raetz, aside from some graphic works which did not much hold my interest, is showing some playful and rather poetic works produced out of chance finds of natural (rather than man-made) objects. Thus he will assemble a couple of twigs in a way that evokes the line drawing of a human torso, or a face, or he will pin a number of eucalyptus leaves to the wall in a way that suggests a neatly applied series of brush strokes, and the brush strokes themselves an amusingly stylized human face. But this sort of matter-of-fact description does not convey the playful charm and the aesthetic ambiguity that emanate from these implausible assemblages. This is not mere clever repetition of neo-Dada formulas but the original procedure of a private sensibility. The works are more complex than the foregoing can suggest because a number of things are assembled in this way, like a long, enigmatic and colorful equation.

ARC, Musée d'Art Moderne de la Ville de Paris, 11 Avenue du Président Wilson, Paris 16, to March 6.

A small show devoted to Hans Arp's work with torn paper, at the Pompidou Center, somehow also fits into this pattern of chance objects. Arp worked with chance in various ways. The issues he raised

Britain Battles Against Book Pirates

By Susan Simpson
International Herald Tribune

LONDON — It took 2,400 academics and a small army of editors a dozen years to compile the 20-volume New Grove Dictionary of Music and Musicians, but even before the first future could be sounded late in 1980 to announce publication, a book pirate in Seoul had illegally reproduced the first 14 volumes and put them on the South Korean market at bargain-basement prices.

Before long, according to Macmillan, the London-based publisher that spent \$7 million to produce the dictionary, two pirated versions were being hawked in Taiwan. By then, the dictionary's market in South Korea had been wiped out.

"It's a very expensive book," says Nicholas Byam Shaw, group managing director at Macmillan. "You'd think twice before parting with \$1,900 to buy it. That means it's the one we fuss about most if it gets pirated."

If the Grove's incident shows book buccannery on a grand scale, British publishers can point to hundreds of less-dramatic examples of a piracy trade in English books that flourishes mainly in Southeast Asia. The racket encompasses every type of book from classics to textbooks, but the chief targets are textbooks and scientific, scientific and business manuals.

"We believe British publishers are losing somewhere in the region of £100 million (\$152 million) a year to pirates," says Malcolm Rowland, deputy director of the British Publishers Association's International Division.

Rowland is a member of the association's Committee for the Suppression of Piracy, a group of 12 members of the British publishing community that has orchestrated the crusade against piracy for almost two years. Nicholas Thompson, chairman of the committee and publishing director of Pitman, a major educational publishing house, describes its activities as a fight to protect the future health of British publishing. "We could all live with the present level of book piracy," he says. "I mean it's costing us money, but we can live with it. The point is, it could easily and quickly get a lot worse and that's really why we're fighting it."

Recently the committee has intensified its efforts as evidence has shown that the racket is, indeed, spreading — with Taiwanese pirates shipping books to Nigeria. This development, coupled with evidence that an independent pirate operation has grown up in Nigeria, has helped to dramatize the growing dimensions of an illegal trade. British publishers say that throughout the last decade the number of illegal reprints has escalated alarmingly.

"It's largely the result of technical develop-

ments in printing," Thompson says. "For a relatively small investment, anybody can now buy off-set printing equipment which enables one to produce a passable copy of any ordinary book. Before off-set was the normal method of printing books, one had to reset the whole thing and that, of course, was a major performance."

Some of the reproductions are so faithful to the genuine article that only the original publisher or printer can identify them. Byam Shaw points out rather ruefully, "The only reason the Grove copies are inferior to ours is because they chose to use inferior paper."

Book piracy apparently operates along distinctively different lines in each country where it exists. Rowland describes a bewildering array of practices: "In Pakistan, it is by and large very small firms of printers, publishers and booksellers behind it. That actually causes great problems because in Pakistan it's perfectly possible to have six, seven or eight pirated editions of the same original book. We've got the situation there where pirates are pirating pirates."

In other places, like Singapore, it is just one firm and one individual, we believe. In India, it is a number of firms engaged in the piracy of paperbacks. In Taiwan, we believe — although our investigations are still continuing — it is a very small group of highly organized people."

Investigations are time-consuming and dogged by difficulties. Rowland recounts what he calls a classic example. "When I was in Pakistan a couple of years ago, the branch of the Oxford University Press in Karachi organized a big raid on some of the local book pirates. They raided bookshops and printing works, they seized large quantities of pirated books and they arrested two people. Within 24 hours, practically all their evidence had disappeared from police custody. But even if that doesn't happen and the case actually goes to law in whichever country we're talking about, it can drag on for years."

The legal situation varies by country. But as Rowland says, "In most countries where piracy occurs, be it Nigeria, Pakistan or India, there is perfectly adequate copyright legislation . . . but by and large, the law doesn't work in many of these countries, or if it does, it works extremely slowly."

As part of their anti-piracy offensive, British publishers have launched a £100,000 fund. Some of that money may be used to employ an international detective agency to ferret out pirates, although that decision has not yet been made. But British publishers will warn that they intend to pursue cases through legal channels with determination, and redouble efforts to encourage adequate legislation, prosecution, and stiffer penalties.

"The fact is that even if we do succeed in

getting a conviction wherever, the penalties under the laws of most countries are peanuts," Rowland says. "It could be a fine of perhaps 1,000 rupees and pirates are usually making so much money that they would just laugh at a fine of that nature."

British publishers are sensitive to an argument often used against them — Thompson calls it the "Robin Hood argument." The pirates, so the argument goes, are providing a service for the poor by robbing wealthy foreign publishers who are exploiting them. "What people don't realize," Thompson says, "is that many people in the Asian and African countries are in fact the main victims of it. The local publishers suffer at least as much, probably more than the foreign publishers. The legitimate booksellers suffer. Local authors sometimes get pirated."

Thompson and others are quick to draw attention to the growing anti-piracy activities of publishers and printers in many affected countries. Nigeria, India and Taiwan are held up as examples. In Pakistan, since two publishers and a printer were charged last September with the illegal reprinting of Henry Kissinger's "Years of Upheaval," the situation has apparently improved. But while members of the British publishing community are generous in their praise of certain Asian and African anti-piracy efforts, they are uniformly critical of U.S. publishers.

"They are well aware of what we are doing," Rowland says. "We know them fully informed. To be fair to them, they did some years ago make a contribution of \$5,000 toward our costs in Singapore. But beyond that, they don't seem to have done much more. Indeed many American publishers have told me quite openly that while they admire everything we are doing to protect copyright and fight piracy, they will never take action themselves because they have such a huge domestic market that by and large, any overseas sales are extras."

British publishers believe that eventually Americans will be driven to join the crusade. Pirating of American books has already reached serious proportions in Latin America and several companies are known to be concerned about the scale of activities in Southeast Asia.

British publishers cannot afford the luxury of looking the other way. Export sales are crucial to the industry. But British publishers cannot afford to be unrealistic about their chances of success in the battle against piracy. Thompson has strong views about that.

"We'll never end it," he says forcefully. "Don't get the idea that we think we can. We have to restrict it, contain it, limit it to a bearable level . . . but it will never be eliminated. That's impossible."

INTERNATIONAL ART EXHIBITIONS

PARIS
GALERIE DU MESSAGER
February 21 - March 12 - Daily except Sundays

CHINA
THROUGH ITS POSTAGE STAMPS
MUSEE DE LA POSTE - 34, Bld. de Vaugouard - Paris 15th

250 ANTIQUAIRES
DES ANTIQUAIRES
Z. Place de la Madeleine - Paris
Exhibition until April 10
SEVEN FROM 1850 UNTIL TODAY

WALLY FINDLAY
Galleries International
New York - Chicago - Palm Beach - Beverly Hills

EXHIBITION
Manoury
3 - 28 february
2, avenue Matignon - Paris 8e
Tel. 225.70.74
Mon., Thru., Sat. 10 a.m. - 7 p.m.

Wally Findlay George V
Hôtel George V - 723.54.00

FABIEN - SIMBARI
31, av. George V - Paris 8e
daily - 10 a.m. - 9 p.m.
sunday - 7 p.m. - 8 p.m.

NEW YORK
FINE ART MASTER-WORKS
Paintings by: Renoir, Caillebotte, L'Oiseux, Léger, Metzinger, Picabia, Herbin, etc.
Write to: Mathews-Gent/Crowell
277 W. 10th St., PHE, N.Y.C. 10014, USA
or call N.Y.C. at (212) 744-1446.

LONDON
LEFEVRE GALLERY
30 Bruton St., W1
01-493 1572/3

CONTEMPORARY PAINTINGS ON VIEW
Mon.-Fri. 10-5 and Sat. 10-12.45

LEINSTER FINE ART
Leonard Boskin
Prints, Drawings, Monotypes, Sculpture
Mon.-Fri. 10-6, Sat. 11-3
9 Hereford Road, London W2
01-229 9985

MOMTAZ ISLAMIC ART
RECENT COLLECTION ON VIEW
42 Pembridge Road, W11
01-229 5579
Mon.-Sat. 10-5 p.m. or by appointment

drian
7 Portchester Place, Marble Arch, W2
PAINTINGS BY
DOUGLAS PORTWAY
Daily 10-5. Sat. 10-1.
31 March '83. Tel.: 01-723 9478.

NEW YORK
MUSEUM QUALITY ART
DECO MASTER-WORKS
By: Chippendale, Paine, Demand, Brandt, Lambert-Rucki, Milos, Schmied, Lempicka, Roth, Baum, Mapple, Casady, etc. Also major book bindings.
Write to: Mathews-Gent/Crowell
277 W. 10th St., PHE, N.Y.C. 10014, USA
or call N.Y.C. at (212) 744-1446.

Sotheby's
London Zurich Geneva New York

Entries for the sale of
Fine Jewels
in Geneva, May 1983

Sotheby's experts will be visiting the following cities to examine items for inclusion in this sale.

Amsterdam: Monday 7th March
Brussels: Monday 7th and Tuesday 8th March
Cologne: Thursday 10th March
Copenhagen: Wednesday 9th March
Frankfurt/IdM: Wednesday 9th March
Hamburg: Tuesday 8th March
Lansdowne (Palace Hotel) Monday 14th March
Milan: Friday 4th March
Monte Carlo: Thursday 10th and Friday 11th March
Munich: Tuesday 8th March
Paris: Monday 14th to Thursday 17th March
Vienna: Friday 11th March

If you wish to make an appointment to see one of our experts please telephone or write to
Sotheby Parke Bernet

Austria
St. Augustin 16, 1010 Wien
Telephone: (0222) 52 47 72/3

Belgium
35 rue de l'Abbaye, Brussels 1050
Telephone: (020) 343 30 07

Denmark
Tysvoldvej 38, 2950 Vedbaek, Denmark
Telephone: (01) 1472 82

France
3 rue de Marignan, 75008 Paris
Telephone: (01) 266 0060

Germany
Odeonsplatz 16, D-8000 Munich 22
Telephone: (089) 22 23 75/6

Italy
Via Montenapoleone 3, 20121 Milan
Telephone: (02) 763907

Monaco
Sporting d'Hiver, Place du Casino, Monte Carlo
Telephone: (093) 30 88 80

Sweden
Kronstads Gator, 11147 Stockholm
Telephone: 46 (0) 101478/9

Switzerland
24 rue de la Cité, CH-1204 Geneva
Telephone: (022) 21 33 77
20 Blicheweg, CH-8002 Zurich
Telephone: (011) 200 11

The Cornucopia of Amsterdam's Art Weeks

By Jules Farber
International Herald Tribune

AMSTERDAM — The Dutch capital will again underscore its position as the Netherlands' cultural center with the second annual Amsterdam Art Weeks, from March 2 through 20, jammed with presentations of Dutch and foreign performing and visual arts. Though some 12,000 exhibitions and performances fill the year-round calendar, the Art Weeks were programmed to spotlight the city's high-quality diversity in cultural offerings during this compact event.

Against the historic backdrop of the city, there will be concerts, opera, ballet, mime, jazz, blues,

American cabaret, Czech folk music and dance, an Italian circus, an European antiquarian fair, auctions, museum exhibitions, antique dealers' fairs, floral theme displays, a major "Art Manifestation" with 32 Dutch art galleries, plus a separate "Art Exchange" with seven Belgian art galleries.

Undoubtedly the "Art Manifestation," being held March 16-21 in the early-15th-century Nieuwe Kerk (New Church), will again be one of the most popular attractions. Last year over 17,000 visitors trekked through the art fair where avant-garde and contemporary paintings and sculpture were shown in an unexpected juxtaposition amidst the soaring stone columns, richly painted organ shutters, glistening,

double-tiered, massive copper candelabra and the ornately carved pulpit and stairs. The Belgian galleries will exhibit in the Vlaams Cultureel Centrum (Flemish Cultural Center).

The Amsterdam Art Weeks open with the premiere of a Diaghilev program in the Stadschouwburg, the municipal theater, on March 2 by the Dutch National Ballet. On March 7, the Netherlands Dance Theater will premiere "Stamping Ground," choreographed by its director, Jiri Kylian. The versatile Scapino Ballet, specialized in dance geared for juvenile audiences, will perform "Coppelia" on March 12.

There are six performances of Wagner's "The Flying Dutchman." Concertgoers can choose from a wide variety of programs offered by the Concertgebouw Orchestra and nine other symphonic groups. Soloists include the flutist James Galway, Edo de Waart, Michael Tilson Thomas and Andrew Davis are among the guest conductors.

costructions which combine drawings (Le Gac shows himself to be a clever draftsman in this vein), photographs and a typewritten text.

The critical text that introduced the show when it was on view to the Museum of Toulon suggests that Le Gac's concern is to comment on the "impossibility" of the adventure of artistic creation. The work is a play with intellectual mirrors reminiscent of Andy Warhol's remark: "People are always calling me a mirror — and if a mirror looks into a mirror, what is there to see?" Quite a few French artists are preoccupied by this idea that "creation is impossible," but I suspect

that it is because they tend to lock themselves all too hermetically into rationality. They are too persuaded that art is a thing of the mind (misconception: Leonardo's assertion that art is *cosa mentale*) by which they mean that it is a matter of technique and reason, to respond to that one can only point out that Art, for instance, was a creative artist because art to him was not merely a rational venture or a formal experiment but a means in a deeper and more far-reaching engagement — the experience and elaboration of life itself.

Jean Le Gac, Galerie Daniel Templon, 30 Rue Beaubourg, Paris 3, to March 10.

that it is because they tend to lock themselves all too hermetically into rationality. They are too persuaded that art is a thing of the mind (misconception: Leonardo's assertion that art is *cosa mentale*) by which they mean that it is a matter of technique and reason, to respond to that one can only point out that Art, for instance, was a creative artist because art to him was not merely a rational venture or a formal experiment but a means in a deeper and more far-reaching engagement — the experience and elaboration of life itself.

Jean Le Gac, Galerie Daniel Templon, 30 Rue Beaubourg, Paris 3, to March 10.

that it is because they tend to lock themselves all too hermetically into rationality. They are too persuaded that art is a thing of the mind (misconception: Leonardo's assertion that art is *cosa mentale*) by which they mean that it is a matter of technique and reason, to respond to that one can only point out that Art, for instance, was a creative artist because art to him was not merely a rational venture or a formal experiment but a means in a deeper and more far-reaching engagement — the experience and elaboration of life itself.

Jean Le Gac, Galerie Daniel Templon, 30 Rue Beaubourg, Paris 3, to March 10.

Reviews of U.S. Films

CAPSULE comments on recently released U.S. films:

According to Janet Maslin of The New York Times, "The Sting II" "moves slowly, looks terrible and copies the first film shamelessly." Mac Davis plays Jake Hooker, a boxer, and Jackie Gleason plays Fargo Gonderoff, an ex-convict, who try to convince Doyle Lomax (Oliver Reed) that Hooker is a boxer worth betting on, which involves the building of sets and the faking of busy scenarios, just as the last film did.

Marshall Brickman's "Loversick," about a psychiatrist (Dudley Moore) who falls in love with one of his patients (Elizabeth McGovern), "may be the most indigestible New York comedy since Woody Allen's 'Manhattan,'" writes Vincent Canby of The New York Times. "Loversick" is not a comedy with outrageous highs and lows. It proceeds with such good-bumored, consistent intelligence that it almost seems to be a new form of comedy."

"Table for Five" is about J.P. Tannen (John Voigt), a divorced father of three children who wants to renew relationships with them after a few years' absence. His ex-wife's (Milla Perkins) new husband (Richard Crenna) feels he's their father too, but the couple finally surrender the children to J.P., who takes them on a "fancy sea cruise." There J.P. meets a divorcee (Marie-Cristine Barreau) who becomes "a steady flame." Janet

Maslin of The New York Times says the film "isn't as bokey as it could have been. . . . Voigt's sincerity is unmistakable; Crenna makes a stern yet touching theater; and Milla Perkins . . . makes a very welcome return to the screen."

The spy film "Enigma," directed by Jeanot Szwarc, is about a U.S.-born radio broadcaster (Martin Sheen), who, after having defected from East Berlin and living in Paris, returns to East Berlin, talking with him a microprocessor that can "unscramble a Russian computer code and thwart a Russian scheme to assassinate five Soviet dissidents on Christmas Day." Janet Maslin of The New York Times calls it "a spy film at its most absurdly hard-boiled, and at its most icily perfunctory. It is punctuated by crisp titles (indicating the date of each scene), played very close to the vest and riddled with false alarms."

Met's Centennial Season

New York Times Service

NEW YORK — The Metropolitan Opera's 1983-84 centennial season will open Sept. 26 with the first revival of Berlioz's "Troyens" since the opera's Met premiere in 1973. The season will include three new productions — Handel's "Rinaldo," Verdi's "Ernani" and Zandonai's "Francesca da Rimini" — plus revivals of many of the productions introduced successfully into the company's repertory to recent seasons.

INTEREST

Eurocurrency Deposits

Term	Rate	Rate	Rate
1M	5.00%	5.00%	5.00%
3M	5.00%	5.00%	5.00%
6M	5.00%	5.00%	5.00%
1Y	5.00%	5.00%	5.00%

Key Money Rates

Country	Rate	Rate	Rate
USA	100.00	100.00	100.00
UK	100.00	100.00	100.00
FR	100.00	100.00	100.00
DE	100.00	100.00	100.00
IT	100.00	100.00	100.00

West Germany

Term	Rate	Rate	Rate
1M	5.00%	5.00%	5.00%
3M	5.00%	5.00%	5.00%
6M	5.00%	5.00%	5.00%
1Y	5.00%	5.00%	5.00%

Discount Rate

Term	Rate	Rate	Rate
1M	5.00%	5.00%	5.00%
3M	5.00%	5.00%	5.00%
6M	5.00%	5.00%	5.00%
1Y	5.00%	5.00%	5.00%

Call Money

Term	Rate	Rate	Rate
1M	5.00%	5.00%	5.00%
3M	5.00%	5.00%	5.00%
6M	5.00%	5.00%	5.00%
1Y	5.00%	5.00%	5.00%

Source: Commercial Bank of Europe

ECONOMIC SCENE

By LEONARD SILK

Schmidt on Recession: Calling For the U.S. to Take the Lead

NEW YORK — Helmut Schmidt, the former chancellor of West Germany, is calling for concerted Western action to head off a world depression, and urging the United States to provide the leadership.

In an article being published simultaneously by The Economist of London, The Zeitungs, Le Monde in Paris, Nihon Keizai Shimbun in Tokyo and Panorama in Milan, Mr. Schmidt declares: "Economic strength, as well as political and military power, predetermines the United States to take the lead. That is how Tokyo sees it, and that is how the Europeans see it, though often reluctantly."

Although the statement is being offered for worldwide consumption, it will inevitably be seen in the context of the West German election coming up March 6. From that vantage point, Mr. Schmidt's article appears to be a rebuttal of the charge by leaders of the Christian Democratic and Free Democratic parties, who form the present coalition government, that if the Social Democrats regain power they will move West Germany strongly to the left, endangering the alliance with the United States.

Foreign Minister Hans-Dietrich Genscher, chairman of the small Free Democratic Party, which brought Mr. Schmidt's government down by switching its support to Helmut Kohl's Christian Democrats, has asserted that an alliance between the Social Democrats, now led by Hans-Jochen Vogel, and the anti-nuclear Green Party would set West Germany on a neutralist course and take it out of the Atlantic alliance. Mr. Schmidt is reaffirming his party's commitment to the United States and the alliance while bidding for the support of left-leaning Germans concerned about the nuclear, environmental, unemployment and East-West issues.

When Mr. Genscher moved the Free Democrats from the coalition with the Social Democrats to one with the Christian Democrats, he lost most of his left wing. The Social Democrats, if they are to regain power, need the support of these defectors as well as that of many left-wingers sympathetic to the Greens. But the difficult job tackled by Mr. Schmidt, who the polls say is still the most popular politician in West Germany, and Mr. Vogel, the Social Democratic candidate for chancellor, is to capture the left without breaking the U.S. connection.

Locomotive Power

Hence the stress on the economic issue. Mr. Schmidt is telling the West German left that the economic crisis — with 33 million people out of work in Western industrial countries — lies at the heart of the world's military danger and can be solved only if the Americans provide a strong economic lead.

Without using the term "locomotive" — a concept he disdained when the Carter administration urged West Germany to help pull the industrial world out of its slump — Mr. Schmidt is, in effect, calling for a U.S. locomotive, with the support of the low-inflation countries, including his own and Japan, to help pull the world economy out of depression. Otto Lambedos, the West German economics minister, recently expressed his opposition to stronger fiscal and monetary stimulus, lest it breed a revival of inflation.

Mr. Schmidt quotes his friend George P. Shultz, the U.S. secretary of state, as believing that such problems as debt refinancing, trade deficits and commodity prices came more from communist subversion and other more traditional State Department concerns.

"Mr. Shultz is right," Mr. Schmidt says. But he suggests that he, Mr. Schmidt, former President Valéry Giscard d'Estaing of France and others were wrong, back in 1973, to put so much faith in unregulated floating exchange rates. "If any of us entertained longer-term hopes with these decisions," he says, "these hopes have definitely been disappointed."

Loose Talk, Hasty Action

If the Western world is to accept U.S. leadership, Mr. Schmidt cautions, it must have "confidence in the judgment of the American president," but this trust "cannot be dissipated by loose talk and hasty action."

He warns the Reagan administration against giving Europeans the "mistaken impression that, economically or militarily, it wants to put the squeeze on the Soviet Union and the other communist states." The Europeans, he asserts, know this is not possible. "They know the capacity of the Russian people to suffer, and they know the uncommon readiness of communist governments to call on their peoples' capacity to suffer."

What the Europeans want, Mr. Schmidt says, is balance, economic health and social peace, whether the political leaders be conservative, liberal or social democratic.

On specifics of how to cure the world economic crisis, Mr. Schmidt says nothing new. While he wants more stimulus for growth, he warns that this should not be so strong as to regenerate inflation. He wants a more stable world monetary system. He wants lower real interest rates but does not say how to get them. He wants less protectionism and more aid for the poor countries. He favors "concerted action" and a better "coordinated policy mix" among the industrial countries.

But his most important contribution is to say that, whoever wins the West German election, the Western alliance will stay intact. That is an important declaration by the prickly but influential Mr. Schmidt.

The New York Times

CURRENCY RATES

Interbank exchange rates for Feb. 25, excluding Swiss franc charges.

	\$	£	D.M.	S.F.	Y.P.	Y.S.	Y.F.	Y.S.	Y.F.
Australia	2.495	0.672	1.357	3.365	0.379	—	—	—	—
Canada	0.745	0.741	1.705	0.925	0.422	—	—	—	—
France	6.545	1.366	1.366	1.366	1.366	—	—	—	—
Germany	1.366	0.693	1.366	1.366	1.366	—	—	—	—
Italy	1.366	0.693	1.366	1.366	1.366	—	—	—	—
Japan	1.366	0.693	1.366	1.366	1.366	—	—	—	—
Netherlands	1.366	0.693	1.366	1.366	1.366	—	—	—	—
Sweden	1.366	0.693	1.366	1.366	1.366	—	—	—	—
Switzerland	1.366	0.693	1.366	1.366	1.366	—	—	—	—
U.K.	1.366	0.693	1.366	1.366	1.366	—	—	—	—
U.S.	1.366	0.693	1.366	1.366	1.366	—	—	—	—

INTEREST RATES

	1-Month	3-Month	6-Month	1-Year	2-Year	3-Year	5-Year	10-Year
U.S. Gov. Bonds	11.75%	12.25%	12.75%	13.25%	13.75%	14.25%	14.75%	15.25%
Commercial Paper	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%	15.00%
Bank Deposits	11.00%	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%
Interbank Rates	11.25%	11.75%	12.25%	12.75%	13.25%	13.75%	14.25%	14.75%

Key Money Rates

	1-Month	3-Month	6-Month	1-Year	2-Year	3-Year	5-Year	10-Year
U.S. Gov. Bonds	11.75%	12.25%	12.75%	13.25%	13.75%	14.25%	14.75%	15.25%
Commercial Paper	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%	15.00%
Bank Deposits	11.00%	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%
Interbank Rates	11.25%	11.75%	12.25%	12.75%	13.25%	13.75%	14.25%	14.75%

GOLD PRICES

	1-Month	3-Month	6-Month	1-Year	2-Year	3-Year	5-Year	10-Year
U.S. Gov. Bonds	11.75%	12.25%	12.75%	13.25%	13.75%	14.25%	14.75%	15.25%
Commercial Paper	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%	15.00%
Bank Deposits	11.00%	11.50%	12.00%	12.50%	13.00%	13.50%	14.00%	14.50%
Interbank Rates	11.25%	11.75%	12.25%	12.75%	13.25%	13.75%	14.25%	14.75%



An oil worker solders a pipeline at the Samaria refinery of the state-owned Petróleos Mexicanos energy group.

Mexico Takes Up Challenge of Pemex

By Alan Riding
New York Times Service

MEXICO CITY — During much of the López Portillo administration, which ended 10 weeks ago, Petróleos Mexicanos seemed like a state within a state and the oil workers' union acted like a company within a company.

Both were powerful, wealthy, fast-growing and corrupt. And both, it appeared, were above auditing and beyond control by the government.

Now, as part of a "moral renovation" campaign, Mexico's new president, Miguel de la Madrid Hurtado, has taken up the challenge of taming the oil industry — of cleaning up corruption, featherbedding and inefficiencies in Pemex, as the state-owned energy group is called.

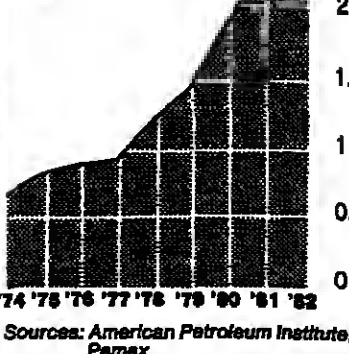
Even in the government, however, no one is sure this is possible, above all in the midst of the country's worst economic crisis in memory. "Mexico is more dependent than ever on Pemex," one official said, "so we have to go slowly and carefully."

One important step in weakening Pemex's power has been the establishment of a Ministry of Energy, Mines and State Industry to which Pemex is politically and financially responsible. And, significantly, in recent weeks the ministry, not Pemex, has been defining Mexico's oil policy.

Pemex's real problems lie in its vast bureaucratic and union structure. The job of undermining deeply entrenched interests and changing decades-old habits has been assigned to Mario Ramón Beteta, the corporation's new di-

The Swift Rise In Mexico's Oil Output

Average annual crude oil production in millions of barrels a day



Source: American Petroleum Institute; Pemex

U.S. Inflation Up 0.2% in January; Banks Cut Prime

By John M. Berry
Washington Post Service

WASHINGTON — Most major U.S. banks Friday cut their 11 percent prime lending rate by half a point as the Labor Department reported that falling oil costs helped hold consumer price inflation to a modest 0.2 percent in January.

The combination of good inflation news and a 10 1/2 percent prime, the lowest that rate has been in more than four years, helped push the Dow Jones industrial average to its highest level ever.

The small increase in the consumer price index, left the index at almost the same level as it was last September and only 3.8 percent higher than it was in January 1982. The index was unchanged in November and fell 0.3 percent in December.

Moreover, the January increase stayed low even though the Bureau of Labor Statistics, as announced earlier, changed the housing component by substituting a rental equivalence measure for home purchase and financing costs. Using the old measure, the January rise was only 0.1 percent and the 12-month increase only 3.6 percent.

The First National Bank & Trust Co. of Chicago, the eighth largest commercial bank in the United States, led the way in cutting the prime rate, which had been at 11 percent since early January. William McDonough, its chief financial officer, said ebbing inflation, a

U.S. M-1 Down By \$1.5 Billion

Readers

NEW YORK — The basic measure of the U.S. money supply, M-1, fell \$1.5 billion in the week ended Feb. 16, the Federal Reserve Board reported Friday after the markets had closed.

Until this latest week, M-1, the narrowest measure of the money supply comprising cash and money in checking accounts, had been increasing at a fairly rapid rate.

Financial markets track the money supply figures for signs of where Fed policy is heading. But analysts say recent shifts in monetary policy and changes in the definitions of the key measures have rendered interpretation of the figures very difficult for the next few months.

Lower cost of funds for the bank and an expectation that the economic recovery will increase corporate profits and therefore reduce loan demand all contributed to the decision to reduce the prime.

Other banks cutting their prime included Citibank, Mellon Bank and Chemical Bank.

Consumer loan rates, which are also coming down slowly, are usually for longer periods than business loans and carry fixed rates.

In recent days, President Ronald Reagan and other administration officials have been critical of banks for holding the prime rate and their consumer loan rates unusually high relative to inflation and to the rates set directly in the money markets, such as those on Treasury securities.

Both short- and long-term money market rates generally have declined this week, primarily because participants in those markets are no longer as worried as they were that the economic recovery now under way will cause inflation to rebound, financial analysts said.

"Two weeks ago, the markets were deathly afraid of deflation," said economist Charles Lieberman of Morgan Stanley.

NYSE Prices Close Mixed as Rally Loses Steam

Readers

NEW YORK — Prices on the New York Stock Exchange closed mixed Friday in busy trading, as late profit-taking overcame an initial surge of buying.

The Dow Jones industrial average slipped 0.87 point from Thursday's record close, to 1,120.94, but advanced 12 points to 7. Volume was 100,977 million shares, down from Thursday's hectic turnover of 113,222 million.

The market opened broadly higher on carry-over buying from Thursday's rally as well as opti-

mism about interest rates and inflation.

A number of large banks, led by First National City, cut their prime rates to 10 1/2 percent from 11 percent, and the U.S. Labor Department reported that consumer prices rose 0.2 percent in January, seasonally adjusted, after a 0.3-percent decline in December.

Gulf & Western led the active, rising 1 1/2 to 2 1/4 on volume of about three and a half million shares in consolidated trading, including a block of one and a half million shares. Neither Gulf & Western, nor the Icahn group

would comment on published reports that Icahn was acquiring more than a million Gulf & Western shares. Icahn has attempted corporate takeovers several times.

Precious metals stocks fell sharply as gold and silver bullion prices plummeted. Homestake Mining lost 4 1/2 to 5 1/2, ASA 3 1/2 to 4 1/2, Campbell Red Lake 1 1/2 to 2 1/2, Calumet Mining 2 1/2 to 3 1/2, Hecla Mining 2 1/2 to 3 1/2, Dome Mines 1 1/2 to 2 1/2, and Handy and Harman 1 1/2 to 2 1/2.

High-technology stocks also slipped, with NCR off 1 1/2 to 10 1/2, Harris 1 1/2 to 4 1/2, Motorola 3 to

11 1/2, Diebold 3 1/2 to 8 1/2, Texas Instruments 4 1/2 to 16 1/2, Digital Equipment 1 1/2 to 12 1/2 and GCA 1 1/2 to 3 1/2.

Sanders Associates, which gained 8 1/4 Thursday, gave back 3 1/2 to 7 1/4. Varian Associates picked up 3 1/2 to 7 1/2 despite the start of a two-million-share offering.

Belco Petroleum was off 1 1/2 to 2 1/2, and Louisiana Land advanced 1 1/2 to 2 1/2 as the two called off merger talks. Cigna lost 2 to 4 1/2 as its executive vice president in charge of property and casualty insurance resigned.

Flexi-Van was up 1 1/2 to 2 1/2 as it

Panel Backs the EC In Dispute Over Flour

Compiled by Our Staff From Dispatches

BRUSSELS — An independent panel of trade experts has rejected a U.S. complaint that the European Community uses subsidies to get an unfair share of the world flour market, the community's director-general for agriculture, Claude Villain, said Friday.

Officials said the result would strengthen the community's bar-

gaining stance in its dispute with the United States on the sharing of world agricultural markets.

Mr. Villain told a news conference that the Geneva-based panel, established under the auspices of the General Agreement on Tariffs and Trade, had released its tentative findings Thursday night.

"The conclusion is that the panel did not accept the U.S. accusations against the community and that we have respected our international trade obligations," he said.

The tentative decision by the GATT panel could reduce the rules governing world farm trade to "the law of the jungle," the U.S. deputy trade representative said Friday.

As David McDonald spoke, there was already pressure in the U.S. Senate to fight the European subsidies.

Jesse Helms, a North Carolina Republican who is the Senate Agriculture Committee chairman, said his committee was ready to vote next week on legislation to counter the European subsidies.

U.S. complaints center on the allegation that Europe uses subsidies to undercut competitors. The United States made a subsidized sale of one million metric tons (1.1 million tons) of flour to Egypt last month.

Mr. Villain said that the panel's study of the 17 most important world markets for flour had produced no evidence that community subsidies were being used to displace other exporters.

"This is important, because in the past few weeks the United States has accused the European Community of taking an unfair share of world markets," Mr. Villain said.

The European Commission's president, Gaston Thorn, wrote to George P. Shultz, the U.S. secretary of state, Wednesday asking him to agree to ministerial talks to try to defuse the transatlantic dispute. Mr. Villain said Friday that the community had not yet received a reply.

A letter sent this week to Mr. Shultz by Foreign Minister Hans-Dietrich Genscher of West Germany had warned of the wider political dangers of a trade conflict.

Mr. Villain said the community believed that the United States had not signed any agreement comparable to the Egyptian flour sale in recent weeks.

That sale pushed the community out of one of its most lucrative markets and the commission lodged a complaint with the panel. A first round of bilateral talks on the complaint will start next week, Mr. Villain said.

The community also has asked Washington for the financial details of a sale of 60,000 to 80,000 metric tons of flour to Jamaica, he said.



In Madrid, as in other key business and financial centres around the world, BBL takes care of you and facilitates your business transactions.

BBL opens a new door to the expanding Spanish market.

To benefit fully from the potential offered by Spain's expanding economy, you need a financial partner, established in Spain itself, with wide-ranging experience of the complexities of international trade and finance.

Banque Bruxelles Lambert has this profile. With our national banking activity in Belgium, our outlook is marked by that country's vital interest in international business, an interest that is shared to the same degree by few other countries. Now, reaffirming our international orientation, we have transformed our Madrid representative office into a full fledged branch, with the intention of making the Iberian peninsula much more accessible to our customers in London, Paris, Milan, Geneva, New York, Tokyo, Singapore and everywhere else in the world where our bank is active.

BBL's new Madrid branch offers all the key services required by exporters and investors attracted to Spain: corporate cash management, foreign exchange trading, export finance and other credit facilities, long-term finance of various kinds, etc.

However, since banking is primarily a matter of people, perhaps the most important service we can provide is one of well informed advice. The general manager of our branch, Antonio Diaz de Rivera, has had extensive banking experience in his own country. The assistant general manager, Bernard Derivaux, served for many years as BBL's representative in both New York and Mexico City.

And Francis De Sutter, now with special responsibility for services in multinationals and correspondent banking, was our representative in Madrid from 1974, just shortly after BBL became the first Belgian bank to open a representative office in the Spanish capital.

To commence your business on the Spanish market or to increase it, please contact: BANQUE BRUXELLES LAMBERT (succursale de Madrid)

• Antonio Diaz de Rivera, Director General.
• Bernard Derivaux, Director General Adjunto.
• Francis De Sutter, Director Multinationales y Bancos.

Paseo de la Castellana 15, E - Madrid 1
Tel.: (34) 1 - 435.42.21
Telex: 49548/BBLM - E
Banque Bruxelles Lambert is the ABECOR member in Belgium.

Banque Bruxelles Lambert BBL Bank Brussel Lambert
Banking, a matter of people

Dow Jones Averages

	Open	High	Low	Close	Change
30 Ind	1132.36	1135.35	1132.36	1135.35	+2.99
Indus	1127.79	1130.78	1127.79	1130.78	+2.99
Finance	124.44	124.44	124.44	124.44	+0.00
Transp.	24.35	24.35	24.35	24.35	+0.00

Standard & Poor's Index

	Open	High	Low	Close	Change
Composite	1132.36	1135.35	1132.36	1135.35	+2.99
Indus	1127.79	1130.78	1127.79	1130.78	+2.99
Finance	124.44	124.44	124.44	124.44	+0.00
Transp.	24.35	24.35	24.35	24.35	+0.00

Odd-Lot Trading in N.Y.

Symbol	Price	Volume
IBM	113.25	100
GE	24.35	50
AT&T	113.25	100
Amgen	24.35	50
Amgen	24.35	50

Dow Jones Bond Averages

	Open	High	Low	Close	Change
Govt	113.25	113.25	113.25	113.25	+0.00
Corp	113.25	113.25	113.25	113.25	+0.00
Muni	113.25	113.25	113.25	113.25	+0.00

Market Summary, Feb. 25

Market Diaries

NYSE	AMEX	NYSE Most Active
1135.35	1135.35	1135.35
1135.35	1135.35	1135.35
1135.35	1135.35	1135.35

AMEX Stock Index

High	Low	Close	Change
1135.35	1135.35	1135.35	+2.99
1135.35	1135.35	1135.35	+2.99
1135.35	1135.35	1135.35	+2.99

NYSE Most Active

Symbol	Price	Volume
IBM	113.25	100
GE	24.35	50
AT&T	113.25	100

Friday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month	High	Low	Close	Change
IBM	113.25	113.25	113.25	+0.00
GE	24.35	24.35	24.35	+0.00
AT&T	113.25	113.25	113.25	+0.00
Amgen	24.35	24.35	24.35	+0.00
Amgen	24.35	24.35	24.35	+0.00

NYSE Index

High	Low	Close	Change
1135.35	1135.35	1135.35	+2.99
1135.35	1135.35	1135.35	+2.99
1135.35	1135.35	1135.35	+2.99

NYSE Most Active

Symbol	Price	Volume
IBM	113.25	100
GE	24.35	50
AT&T	113.25	100

AMEX Most Active

Symbol	Price	Volume
IBM	113.25	100
GE	24.35	50
AT&T	113.25	100

12 Month	High	Low	Close	Change
IBM	113.25	113.25	113.25	+0.00
GE	24.35	24.35	24.35	+0.00
AT&T	113.25	113.25	113.25	+0.00
Amgen	24.35	24.35	24.35	+0.00
Amgen	24.35	24.35	24.35	+0.00

COMPANY EARNINGS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

Money-Fund Fall Slows in U.S.

NEW YORK — Money-market fund assets fell \$1.3 billion, to \$191.1 billion, in the week that ended Feb. 23, for the smallest weekly decline in the 12 weeks since the funds peaked at \$232.6 billion Dec. 1.

The Investment Company Institute, a Washington-based mutual-fund industry group, said it believed the fall in assets of money-market funds since banks began offering money-market accounts had slowed because of "a continued fall in rates offered by banks."

"Not all of the money coming out of money market funds is going into banks," an institute spokesman said. "During the last three months of 1982 there was a record level of sales of other types of mutual funds, and we're seeing a high level of activity in transfers to bond and stock funds."

The average maturity of fund portfolios was 36 days, compared to 37 days the previous week and 39 days three weeks earlier. This narrowing may mean either that fund managers are positioning their portfolios for a rise in rates or are shortening maturities to meet demands from investors.

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

United States

Company	Revenue	Profit
IBM	113.25	113.25
GE	24.35	24.35
AT&T	113.25	113.25

West German Balanced Tr.

West German Balanced

BUSINESS BRIEFS

West German Current Account
Balanced, Trade Surplus Down

WIESBADEN (Reuters) — West Germany's current account was in balance and its trade surplus fell 2.7 billion Deutsche marks (\$1.2 billion) in January, down from 5.4 billion DM in December, according to preliminary figures released Friday by the Federal Statistics Office.

In December, there was a current account surplus of 5.9 billion DM, revised from a provisional 5.3 billion, the office said. In January 1982, the current account showed a 2.9 billion DM deficit and the trade surplus 1.1 billion.

Exports last month totaled 32.35 billion DM and imports 29.65 billion, the statistics office said. In December 1982 exports were 38 billion DM and imports 31.62 billion.

For all of 1982, the current account showed a surplus of 7.5 billion DM while the trade account showed a record 51.2 billion DM surplus, nearly double the 1981 figure.

No New Grundig Deal, Aide Says

BERLIN (Reuters) — West Germany's cartel office is not considering any new plan for Thomson-Brandt's takeover of Grundig, the office's president, Hartwig Wagemann, said Friday after the Statistisches Zeitschrift reported that the office would approve the deal if Philips agreed to give up its 24.5 percent share in Grundig.

Mr. Wagemann said the cartel office had yet to decide on the original application for Thomson-Brandt to take a 75.5 percent stake in Grundig. He said the application contained no reference to Philips' returning its share.

A Philips spokesman said earlier this month that the company had no plan to change its stake in Grundig. The cartel office will rule on the takeover bid after the March 6 elections.

Romania Reaches Debt Agreement

BUCHAREST (Reuters) — Romania has reached agreement with Western banks on rescheduling \$600 million of debt due this year, and sees no need to reschedule 1984 debt, the director of the Finance Ministry, Stelian Marin, said Friday. "A rescheduling in 1984 would not be justified," he said.

Western bankers and diplomats in Bucharest agreed, although more cautiously. "It is not a foregone conclusion they will need rescheduling in 1984, as it was in mid-1982 that they would have to reschedule in 1983," one banker said.

Disney Shuffles Top Management

LAKE BUENA VISTA, Florida (AP) — Directors of Walt Disney Productions have elected Ronald W. Miller as chief executive officer and Raymond L. Watson as chairman of the board.

Mr. Miller, now Disney president, succeeds E. Cardon Walker, a 45-year veteran of the company, who is also relinquishing his post as board chairman, effective May 1.

Soviet Loan Request Reported

TOKYO (Reuters) — The Soviet foreign trade bank has asked Japanese city banks for loans totaling almost 50 billion yen (\$213.7 million) for Soviet development projects and ship imports, the financial daily Nihon Keizai reported Friday from Moscow.

The request was made in talks between the Soviet bank and members of a Japanese economic mission currently in Moscow, the newspaper said, quoting sources close to the Japanese mission.

France Seeks Motobécane Rescue

PARIS (Reuters) — The government is contacting French and foreign companies in an effort to save Motobécane, France's second largest manufacturer of mopeds and cycles, after the firm and its engine-making subsidiary, Sofreima, filed for bankruptcy Thursday.

A joint statement from the Ministries of Finance and Industry said the two companies would not necessarily stop operating. A government spokesman declined to identify the firms that had been contacted regarding a rescue plan for Motobécane.

AEG-Telefunken Plan Approved

FRANKFURT (Reuters) — AEG-Telefunken has received preliminary approval of its plan for a court-supervised debt settlement, which the receiver and AEG board now assume will be accepted at a meeting of creditors March 9, the company said Friday.

Company Notes

Anderson Strathclyde says that Charter Consolidated's 200-pence-a-share bid for Anderson is "unwelcome and inadequate."

TDK Electronics shareholders decided at the annual meeting in Tokyo to change the company name to TDK Corp., effective March 1.

Credit Suisse's net profit last year rose 9.9 percent, to 303 million Swiss francs (\$151.5 million), from 276 million francs in 1981, the bank's general manager, Robert Jeker, said at a news conference.

Indonesia Sees Flight of Capital

By Rory Channing

HONG KONG — Wealthy Chinese-Indonesians are sending a great deal of capital out of Indonesia as the government tries to overcome a bulging balance-of-payments deficit, banking sources said Friday.

If the flight continues, the impact on Indonesia's economy could be severe because it coincides with the crumbling of world prices for oil and gas, on which the country relies for 70 percent of its foreign revenue.

The total amount of money involved is difficult to assess, but we're talking about \$10 million per individual transfer of funds, and we've seen quite a few transfers, one banker said. "This is hot money seeking safer havens," he added.

The bankers, who declined to be identified because of the sensitive nature of the transactions, said similar flights of capital from Indonesia had occurred a number of times in recent years.

Faced with sporadic eruptions of anti-Chinese sentiment, Indonesia's Chinese minority traditionally has sought refuge for its money either in Hong Kong or through the British Colony to the United States and Europe.

Bankers said a combination of political and economic factors may have prompted the latest movement of funds.

Indonesia's severe recession has led to a harsh tightening of credit. This has choked consumer spending and left businessmen reluctant to tie up their money in new inventory, with a surplus of cash for investment elsewhere.

The bankers also cited persistent rumors in Indonesia that the government will devalue the rupiah and introduce stringent foreign-exchange restrictions to bolster the economy. According to recent projections, Indonesia will have its first trade deficit for 16 years in 1983.

The latest outflow could represent efforts to get money out of the country before such measures are introduced.

Bankers said the Chinese, who play a prominent role in Indonesian commerce, may also be worried about bearing the brunt of any

social unrest caused by the recession. Chinese businessmen have suffered during previous disturbances, they noted.

Most of the recent flight of capital from Indonesia seems to be going to the U.S. West Coast, a favorite area for investment by overseas Chinese, and home to many Chinese-Americans, bankers in Hong Kong said.

"They said that although most previous capital outflows had not gone farther than Hong Kong, there was no firm evidence to suggest that this was happening now."

The colony is one of the world's biggest switching centers for flight capital. And doubts about Hong Kong's future because of China's

declared intention to reclaim sovereignty probably are spurring investors to keep their money on the move.

But stockbrokers said some of the Indonesian funds may be flowing into Hong Kong. The colony's stock market has risen strongly recently, helped by significant buying orders from Singapore, which is well situated to handle investments from Indonesia and place them elsewhere in Asia, they said.

The leading indicator of the Hong Kong Stock Exchange, the Hang Seng index, closed above 1,066.50 Friday following a sustained advance from 915.51 only two weeks ago, they noted.

Oil-Price Drop to Have Biggest European Impact in Italy

By Henry Tanner

International Herald Tribune

ROME — The plan by the Gulf states to cut oil prices, which they disclosed Wednesday, will have a greater impact on Italy than on any other European country.

The Italian economy depends on imported oil for about two thirds of its energy needs. Of the major industrial countries, only Japan has greater dependence on foreign oil.

Italy's oil industry sources estimate that if the price were to fall to \$29 a barrel, the saving for Italy would be 2 trillion lire (about \$1.5 billion) a year.

That is described as a conservative estimate. If the oil-price reductions weaken the dollar, which is believed likely, the savings in foreign currency could be considerably larger.

Italy last year spent more than \$20 billion on oil, and with the figure for the last months not yet fully calculated, some estimates go as high as \$22 billion. The weight of this expense is reflected in the fact

that as recently as 1979 the annual oil bill was \$10 billion.

Italy last year had a balance-of-payments deficit of 7.5 trillion lire. In other words, there would have been a balance-of-payments surplus if only the oil bill had been a third less.

Secondly, the oil-price drop is expected to immediately cut production costs of Italian industries and thus make them more competitive internationally, according to Bruno Provvedini, a senior consultant at the Banca del Lavoro, one of Italy's major banking institutions.

But Mr. Provvedini cautioned that not all the consequences of the oil-price drop may be favorable. What if it worsened the world recession, he asked. He added that there may be changes in international trading patterns that are difficult to foresee.

Other sources said that Italy is a major exporter of industrial goods to the oil-producing countries of the Middle East. They also noted that Italian companies are among the

leading contractors and engineering firms building such ambitious projects as petrochemical plants and airport facilities in such countries as Saudi Arabia and Iran.

Some of these contracts have been negotiated together with Italian oil purchases. In some cases, like Iran and Iraq, building contracts may be canceled because of falling oil revenues.

According to oil specialists in Rome, Italy currently is buying 27 percent of its oil from Saudi Arabia. Iran, which has been selling oil cheaply at spot prices, is next, with 11 percent. The Soviet Union and Libya follow with 10 percent each, and Egypt and Iraq are next, with 7 percent each, the rest coming from a variety of foreign sources.

Italy is also importing natural gas from the Soviet Union and the Netherlands, in addition to extracting its own near Trieste.

This is an occasion we must not lose, we have 12 to 18 months to adjust. And to reduce our public debt without major cost to the citi-

zens," said Giovanni Magnifico, the director general of the Banca d'Italia, Italy's central bank, at a public meeting this week.

Banking sources here expect the government to pass the savings on oil imports on to Italian industry, to make it more competitive, but not to the Italian consumer. The price of gasoline, which stands at about \$3 a gallon, is expected to remain the same.

Italy has a huge government deficit of 14 percent of its gross national product. In Europe, only Belgium has a comparable public debt. In the United States, 3 percent of the gross national product is taken up by the federal budget deficit.

The government of Prime Minister Amintore Fanfani has set itself as one of its major objectives combating inflation by reducing the growth of wages, which Italian employers blame for their high production costs.

A first step was made a month

ago, when employers and unions, at the government's prodding, concluded an "historic" agreement to modify the Scala Mobile, the long-standing wage-indexing system under which wages have been growing faster than living costs. The agreement also includes measures to improve productivity in factories.

But ironically, at least in the near future, the agreement increased the fiscal burden of the state because the government, which is the third partner in the agreement, agreed to compensate lower-paid workers for part of the losses they incur under the agreement.

The heavy weight of the oil bill, which is now at last being reduced, has long been one of the worst headaches of Italian government economists. But over the years succeeding governments have been slow in dealing with the problem because conflicting regional and political interests prevented a consensus.

Two years ago, under Prime Minister Francesco Cossiga, a 10-year program was adopted.

Since then the reliance on oil has been reduced from 80 to 65 percent of the country's energy needs. Electricity output has been increased from domestic hydroelectric power and imported coal. Electrical power also is imported from Switzerland and Austria.

Last Tuesday, the government announced that construction on three large nuclear-power stations would begin within two years. This was considered one of the major events in energy policy in several years.

So far, Italy has only three nuclear-power plants, which together produce about 5 percent of its electricity. A fourth plant is being built.

New Mexican Government Takes Up Challenge of Pemex

(Continued from Page 7)

co's oil production tripled and corruption seemed to grow out of control.

Last month, three former oil executives were arrested and charged with corruption. This month, five former Pemex officials were detained in connection with a reported \$8-million fraud. All worked in the corporation between 1976 and mid-1981, when Jorge Diaz Serrano was director-general and Pemex was expanding dramatically.

Officials say that many other investigations into Pemex during that period are under way and they have hinted strongly that more senior executives than those arrested so far will be accomplices in some frauds. "The real question is

whether the new government will only arrest the small fry or whether it will strike higher," a foreign diplomat said.

Mr. Diaz Serrano, now a senator, has frequently been blamed by Mexican newspapers for corruption during his administration, but he has denied any responsibility and recently added his voice to calls for a thorough investigation of Pemex.

The oil workers' union has grown steadily in strength since foreign oil companies were nationalized in 1938. Today it is by far the richest, most powerful and many Mexicans say, the most corrupt trade union in Mexico.

"The real beneficiaries of Petróleos Mexicanos are not the

people of Mexico but rather a union headed by corrupt leaders who sell jobs and enrich themselves with enormous contracts and privileges," Fernando Benitez, a respected political columnist, wrote recently, echoing a typical view.

The union is run by an old-fashioned cacique, or boss, Joaquin Hernandez Galicia, who from his headquarters in Ciudad Madero in northeast Mexico controls 80,000 Pemex workers as well as a vast business empire, the result of the union's "right" to assign about 50 percent of all Pemex contracts.

There are no reliable estimates of the union's true worth, but it owns farms, oil-contracting companies, aircraft and stores. This wealth has inevitably been translated into political power. Mr. Hernandez, known as "La Quina," a diminutive of Joaquin, has offered to use his farms, for example, to support the government's efforts to achieve self-sufficiency in basic grains.

Even more crucial, however, is the tight control exercised by Mr. Hernandez and Senator Salvador Barragan Camacho, the man La Quina placed in the post of union secretary general, over employment within Pemex.

Dissident oil workers say union leaders "sell" or "rent" many of these jobs. And because wage levels in Pemex are high, job applicants are willing to accept that.

"To have a permanent job, a secretary will have to pay a lump sum of 250,000 pesos," or about \$1,660, to

the union, one oil worker said.

In several meetings with union leaders, Mr. Benitez has spoken with sufficient firmness to have created the expectation — or fear — that things might change. But his aides have no illusions that it will be easy to weaken the union's grip. Asked whether fewer contracts would be controlled by the union, for example, one official said: "Perhaps not fewer, but certainly not more."

Since taking office, Mr. de la Madrid has reiterated his campaign pledge to clean up corruption in all sectors. And, according to his aides, the president knows well how Pemex and its union have been run. "Just be patient," one official said. "We haven't finished with Pemex yet."

Caracas Seeks to Reschedule Some '83 Debt

Reuters

CARACAS — Venezuelan Finance Minister Arturo Sosa filed to New York this weekend seeking rescheduling of some of his country's external debt, which he recently said totaled \$24.3 billion.

Mr. Sosa said he would try to gain international bankers' agreement to delay until 1985 repayment of about \$9 billion of short-term debt, while maintaining interest payments on all loans.

Earlier this week, Venezuela imposed exchange controls for the first time since 1965 and introduced a two-tier exchange rate, equivalent to an internal devaluation, for its national currency, the bolivar.

Bankers saw the moves as necessary prerequisites to gaining the agreement on rescheduling, and one well-placed source said a loan from the International Monetary Fund was also possible, noting that an IMF team was due to visit Caracas next week.

Several banking sources generally supported the views of Oswaldo Padron Amare, Venezuelan central bank vice president, who said Thursday that Venezuela's economic situation was far less serious than Mexico's.

Like Mexico, Venezuela has been hit by dwindling oil revenue and a flight of capital that threatens to exhaust its reserves in months.

But Mr. Padron Amare said that following the control measures, Venezuela still had some \$8.6 billion in foreign reserves, unlike other countries that had run out of reserves.

Mr. Sosa's task will be complicated by a default action begun

this week by the Brussels-based European Banking Co. against Banco Industrial de Venezuela for repayment of \$31.6 million.

Mr. Sosa wants to include Banco Industrial and other state banks in his rescheduling plan, which will be determined if creditors insist on defaults, banking sources said.

Bankers in London said Friday that major creditors were likely to hold off, although some other loans were technically in default.

But they said the currency-defense measures had been long overdue and more steps might be necessary, among them budget cuts, import restrictions and reform of Venezuela's tax laws.

"We're alert, we're in a standby position, we hope additional loans by the United States government will not be needed," she said.

The Treasury has been under pressure not only from the Brazilians, but also from large U.S. banks, which have been struggling to stop banks around the world from withdrawing their deposits from Brazilian banks.

"The situation appears to have stabilized," said a leading New York banker, who asked not to be named.

As of Feb. 16, the Bank of America had \$188 million deposited in Brazilian banks, or about three times the amount requested of it last December by Carlos Langoni, governor of the central bank of Brazil, when he asked major international banks to pump deposits into Brazil. Citibank exceeded its Langoni target of \$190 million by more than \$129 million.

Largely as the result of efforts of these institutions, the run on Brazilian banks by other banks around the world appeared to have been brought under control.

As of Thursday, Brazilian banks were holding about \$7.1 billion in foreign-bank deposits up from the dangerously low level of \$4.9 billion earlier this year, according to Bankers Trust of New York, which is working with Citibank in coordinating the deposit-gathering effort.

NEW YORK — Brazil signed a \$4.4-billion new loan and refinancing agreement Friday covering \$4 billion of 1983 debt maturities.

Finance Minister Ernesto Galvès said at a ceremony here that the signing was a milestone in the financial history of the world.

The signing covered the first two parts of Brazil's four-part, 1983 bank financing plan. The third part, the renewal of about \$9 billion of short-term trade credits, is already complete and the fourth part, the restoration of interbank money-market lines, is nearing completion, banking sources said.

Interbank money-market lines are short-term lending of deposits among banks.

About 160 of Brazil's major creditor banks were due to sign the new loan, which is for eight years with interest rates of 24 percentage points over the key London interbank offered rate, or 14 points above U.S. banks' prime rate, which is 10 1/2 percent.

Representatives of 675 banks were due to sign the agreement extending debt falling due in 1983 on the same terms.

In Washington, the Treasury department by bankers in New York that the Treasury had agreed to lend Brazil up to \$200 million to meet its short-term needs. Assistant Treasury Secretary Ann D. McLaughlin said the United States would stand behind Brazil, but that

it wanted Brazil to do as much on its own as possible.

"We're alert, we're in a standby position, we hope additional loans by the United States government will not be needed," she said.

The Treasury has been under pressure not only from the Brazilians, but also from large U.S. banks, which have been struggling to stop banks around the world from withdrawing their deposits from Brazilian banks.

"The situation appears to have stabilized," said a leading New York banker, who asked not to be named.

As of Feb. 16, the Bank of America had \$188 million deposited in Brazilian banks, or about three times the amount requested of it last December by Carlos Langoni, governor of the central bank of Brazil, when he asked major international banks to pump deposits into Brazil. Citibank exceeded its Langoni target of \$190 million by more than \$129 million.

Largely as the result of efforts of these institutions, the run on Brazilian banks by other banks around the world appeared to have been brought under control.

As of Thursday, Brazilian banks were holding about \$7.1 billion in foreign-bank deposits up from the dangerously low level of \$4.9 billion earlier this year, according to Bankers Trust of New York, which is working with Citibank in coordinating the deposit-gathering effort.

NEW YORK — Brazil signed a \$4.4-billion new loan and refinancing agreement Friday covering \$4 billion of 1983 debt maturities.

Finance Minister Ernesto Galvès said at a ceremony here that the signing was a milestone in the financial history of the world.

The signing covered the first two parts of Brazil's four-part, 1983 bank financing plan. The third part, the renewal of about \$9 billion of short-term trade credits, is already complete and the fourth part, the restoration of interbank money-market lines, is nearing completion, banking sources said.

Interbank money-market lines are short-term lending of deposits among banks.

About 160 of Brazil's major creditor banks were due to sign the new loan, which is for eight years with interest rates of 24 percentage points over the key London interbank offered rate, or 14 points above U.S. banks' prime rate, which is 10 1/2 percent.

Representatives of 675 banks were due to sign the agreement extending debt falling due in 1983 on the same terms.

In Washington, the Treasury department by bankers in New York that the Treasury had agreed to lend Brazil up to \$200 million to meet its short-term needs. Assistant Treasury Secretary Ann D. McLaughlin said the United States would stand behind Brazil, but that

it wanted Brazil to do as much on its own as possible.

"We're alert, we're in a standby position, we hope additional loans by the United States government will not be needed," she said.

The Treasury has been under pressure not only from the Brazilians, but also from large U.S. banks, which have been struggling to stop banks around the world from withdrawing their deposits from Brazilian banks.

"The situation appears to have stabilized," said a leading New York banker, who asked not to be named.

As of Feb. 16, the Bank of America had \$188 million deposited in Brazilian banks, or about three times the amount requested of it last December by Carlos Langoni, governor of the central bank of Brazil, when he asked major international banks to pump deposits into Brazil. Citibank exceeded its Langoni target of \$190 million by more than \$129 million.

Largely as the result of efforts of these institutions, the run on Brazilian banks by other banks around the world appeared to have been brought under control.

As of Thursday, Brazilian banks were holding about \$7.1 billion in foreign-bank deposits up from the dangerously low level of \$4.9 billion earlier this year, according to Bankers Trust of New York, which is working with Citibank in coordinating the deposit-gathering effort.

NEW YORK — Brazil signed a \$4.4-billion new loan and refinancing agreement Friday covering \$4 billion of 1983 debt maturities.

Finance Minister Ernesto Galvès said at a ceremony here that the signing was a milestone in the financial history of the world.

The signing covered the first two parts of Brazil's four-part, 1983 bank financing plan. The third part, the renewal of about \$9 billion of short-term trade credits, is already complete and the fourth part, the restoration of interbank money-market lines, is nearing completion, banking sources said.

Interbank money-market lines are short-term lending of deposits among banks.

About 160 of Brazil's major creditor banks were due to sign the new loan, which is for eight years with interest rates of 24 percentage points over the key London interbank offered rate, or 14 points above U.S. banks' prime rate, which is 10 1/2 percent.

Representatives of 675 banks were due to sign the agreement extending debt falling due in 1983 on the same terms.

In Washington, the Treasury department by bankers in New York that the Treasury had agreed to lend Brazil up to \$200 million to meet its short-term needs. Assistant Treasury Secretary Ann D. McLaughlin said the United States would stand behind Brazil, but that

it wanted Brazil to do as much on its own as possible.

"We're alert, we're in a standby position, we hope additional loans by the United States government will not be needed," she said.

The Treasury has been under pressure not only from the Brazilians, but also from large U.S. banks, which have been struggling to stop banks around the world from withdrawing their deposits from Brazilian banks.

"The situation appears to have stabilized," said a leading New York banker, who asked not to be named.

As of Feb. 16, the Bank of America had \$188 million deposited in Brazilian banks, or about three times the amount requested of it last December by Carlos Langoni, governor of the central bank of Brazil, when he asked major international banks to pump deposits into Brazil. Citibank exceeded its Langoni target of \$190 million by more than \$129 million.

Largely as the result of efforts of these institutions, the run on Brazilian banks by other banks around the world appeared to have been brought under control.

As of Thursday, Brazilian banks were holding about \$7.1 billion in foreign-bank deposits up from the dangerously low level of \$4.9 billion earlier this year, according to Bankers Trust of New York, which is working with Citibank in coordinating the deposit-gathering effort.

NEW YORK — Brazil signed a \$4.4-billion new loan and refinancing agreement Friday covering \$4 billion of 1983 debt maturities.

Finance Minister Ernesto Galvès said at a ceremony here that the signing was a milestone in the financial history of the world.

The signing covered the first two parts of Brazil's four-part, 1983 bank financing plan. The third part, the renewal of about \$9 billion of short-term trade credits, is already complete and the fourth part, the restoration of interbank money-market lines, is nearing completion, banking sources said.

Interbank money-market lines are short-term lending of deposits among banks.

About 160 of Brazil's major creditor banks were due to sign the new loan, which is for eight years with interest rates of 24 percentage points over the key London interbank offered rate, or 14 points above U.S. banks' prime rate, which is 10 1/2 percent.

Representatives of 675 banks were due to sign the agreement extending debt falling due in 1983 on the same terms.

In Washington, the Treasury department by bankers in New York that the Treasury had agreed to lend Brazil up to \$200 million to meet its short-term needs. Assistant Treasury Secretary Ann D. McLaughlin said the United States would stand behind Brazil, but that

it wanted Brazil to do as much on its own as possible.

"We're alert, we're in a standby position, we hope additional loans by the United States government will not be needed," she said.

The Treasury has been under pressure not only from the Brazilians, but also from large U.S. banks, which have been struggling to stop banks around the world from withdrawing their deposits from Brazilian banks.

"The situation appears to have stabilized," said a leading New York banker, who asked not to be named.

As of Feb. 16, the Bank of America had \$188 million deposited in Brazilian banks, or about three times the amount requested of it last December by Carlos Langoni, governor of the central bank of Brazil, when he asked major international banks to pump deposits into Brazil. Citibank exceeded its Langoni target of \$190 million by more than \$129 million.

Largely as the result of efforts of these institutions, the run on Brazilian banks by other banks around the world appeared to have been brought under control.

As of Thursday, Brazilian banks were holding about \$7.1 billion in foreign-bank deposits up from the dangerously low level of \$4.9 billion earlier this year, according to Bankers Trust of New York, which is working with Citibank in coordinating the deposit-gathering effort.

NEW YORK — Brazil signed a \$4.4-billion new loan and refinancing agreement Friday covering \$4 billion of 1983 debt maturities.

Finance Minister Ernesto Galvès said at a ceremony here that the signing was a milestone in the financial history of the world.

The signing covered the first two parts of Brazil's four-part, 1983 bank financing plan. The third part, the renewal of about \$9 billion of short-term trade credits, is already complete and the fourth part, the restoration of interbank money-market lines, is nearing completion, banking sources said.

Interbank money-market lines are short-term lending of deposits among banks.

About 160 of Brazil's major creditor banks were due to sign the new loan, which is for eight years with interest rates of 24 percentage points over the key London interbank offered rate, or 14 points above U.S. banks' prime rate, which is 10 1/2 percent.

Representatives of 675 banks were due to sign the agreement extending debt falling due in 1983 on the same terms.

In Washington, the Treasury department by bankers in New York that the Treasury had agreed to lend Brazil up to \$200 million to meet its short-term needs. Assistant Treasury Secretary Ann D. McLaughlin said the United States would stand behind Brazil, but that

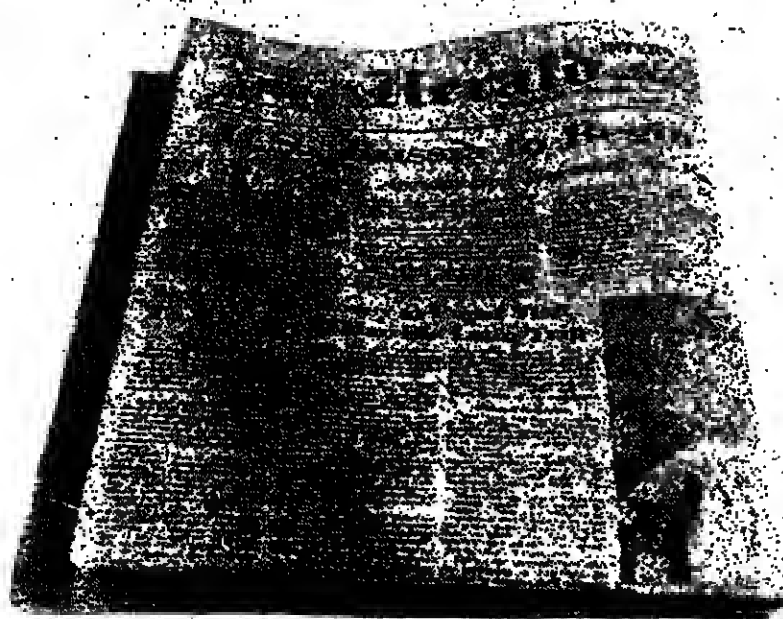
it wanted Brazil to do as much on its own as possible.

</

Tables include the nationwide prices up to the closing on Wall Street.

Herald Tribune
Incisive. In depth. International

TWO TRIBS FOR THE PRICE OF ONE



Please circle below the time period and reduced subscription price selected.
(Rates valid through March 31, 1983)

COUNTRY	1 year	6 months	3 months
Austria	A. Sch. 3,090	1,525	840
Belgium	B. 3,600	1,800	900
Denmark	D. 562	280	140
Finland	F. 34	495	270
France	F.F. 800	400	220
Germany	D. 364	189	100
Greece	G. 12	21	11
Ireland	I.R. 3,600	4,000	2,250
Italy	I. 310	45	25
Japan	J. 165,000	82,500	45,000
Netherlands	N.L. 4,000	3,000	1,650
Norway	N. 406	203	112
Portugal	P. 1,120	560	300
Spain	E. 3,650	4,330	2,400
Sweden	S. 14,200	7,100	3,900
Switzerland	S.F. 990	495	270
U.S.A.	U.S. 320	160	90
Rest of Europe, North Africa and Middle East, French Africa, U.S.A.	\$ 256	128	71
French Polynesia, Middle East	\$ 264	132	72
Rest of Africa, Canada, Latin America, Gulf States and Asia	\$ 332	176	96

☐ Yes, I would like to accept your
margin offer. Please send me the
International Herald Tribune for the time
period and at the reduced price circled on
this coupon.

26-2-83

My name _____

Address _____

City _____

Job/Profession _____

Nationality _____

Company activity _____

IMPORTANT: Payment must be enclosed with this
form to validate your subscription. Please make checks
payable to the International Herald Tribune. Do not
send cash. Pro-forma invoices are available upon
request.

By **subscribing** to the International Herald Tribune for six months or a year, you receive each copy at almost *half* the newsstand price. Up to 46% off, to be precise, depending on where you live. Twice as many Tribs for your money.

Double the value of the Trib by halving its price. Subscribe now so you don't miss a single issue. Just fill out the coupon opposite and mail. For maximum savings, subscribe for a full year. This cut-price subscription offer is for *new subscribers only*.

SPORTS

The Story Behind the Signing of Walker Begins to Unfold

Eligibility Compromised in January

Georgia's Coach Caught by Surprise

By William N. Wallace

New York Times Service

ORLANDO, Fla. — Herschel Walker, the professional football player, has revealed that he had been ineligible to play in the National Football League since January.

Walker, who was signed by the Atlanta Falcons, had been ineligible since January 1982, according to a chronology offered by officials of the team and the United States Football League.

Walker's second instance of compromising his eligibility — in fact, what later proved to be his first — came in January 1982, when he signed a standard USFL player contract with the Atlanta Falcons.

Walker, the principal owner of the Falcons, and Jim Valke, the team's general manager, had been negotiating with Walker since January 1982.

Those were the two most significant dates in the seven weeks that preceded Walker's signing of a second contract with the Falcons.

The second contract had been made necessary because on Friday, Feb. 18, Walker had used an escape clause in the first one.

That day, he had changed his mind, he said, and he wanted to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

Walker had been playing for the Bulldogs, but by then he had decided to return to the Atlanta Falcons.

7-Figure Check; Nothing Deferred

ATHENS, Georgia (UPI) — Jack Mantion, the agent who helped Herschel Walker negotiate a professional football contract that made him ineligible to continue playing college football, has revealed that the contract called for all cash and no deferred payments.

"He [Walker] received a check... that contained seven figures, and he cashed it," Mantion said Thursday.

Mantion said Thursday that the contract had not been made public, but he said it was guaranteed by the owner of the New Jersey Generals, J. Walter Duncan, "whose wealth has been investigated and is without question."

The league had clear eligibility rules concerning players with college eligibility remaining, that we wouldn't be interested."

A week went by and Mantion called again, saying that Walker wanted to talk directly to a league official.

Steve Ehrhart talked twice to Mantion on the phone, and Walker said he was interested in playing in the USFL.

Steve tried to elicit from him the fact that this was something he wanted to do. We counseled him regarding the jeopardy he could be facing with regard to his own remaining eligibility."

At the end of the second week in January, Mantion went to New York to consult further with Simmons and Ehrhart. By this time, the legal aspects of the USFL's stance regarding Walker's eligibility and the athlete's desire to pursue a professional career had become important.

To support his belief that the USFL would be unable to enforce its policy of not signing players with college eligibility remaining, Ehrhart sought outside counsel. It was agreed that the policy could not be defended easily.

Mantion said Walker would be interested only in playing in the metropolitan New York area.

"We then told the Generals of the interest Walker had in the USFL," Simmons said, "and asked if the team would be interested. The answer was yes. Our position by then was that we would not want to take a court challenge on this issue."

In this case, because of the circumstances of the young man and the advice we were getting, we would let them go ahead."

The Generals offered their training camp here on Jan. 31.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

Conversations were renewed on Monday among Mantion, Duncan, in Oklahoma City, Fairbanks and Valke at the Generals' camp here.

On Tuesday, Valke flew to Athens where he met with Walker at the athlete's apartment. The second contract, a duplicate of the first but without a withdrawal clause, was presented by Valke to Walker, who signed it.

Walker did change his mind, the next day, Friday. "From Walker's point of view," Simmons said, "it was a mind change, based on a business deal, not on the eligibility issue. Walker's mind the eligibility issue had already passed."

Walker held a news conference, denying the existence of any contract or even any serious talks.

By Peter Alfano

New York Times Service

ATHENS, Georgia — Vince Dooley was spending a routine day at the office a week ago Thursday when he received a telephone call from a reporter in Los Angeles inquiring about Herschel Walker.

The University of Georgia football coach listened as the caller asked whether there was any truth to the report that Walker was about to sign a contract with a United States Football League team.

"Nonsense," Dooley thought to himself, before dismissing the report as unfounded.

Before the day was over, however, Dooley said he had made four calls to Chet Simmons, the commissioner of the USFL. Dooley said none was returned.

For the last three years there had been speculation that Walker, might turn professional, but Walker eventually decided against signing with the Canadian Football League after his freshman season or challenging the National Football League in its rule against drafting underclassmen last year.

But now Dooley was worried. The telephone call from Los Angeles had been followed by others.

"I was caught completely by surprise," he said Thursday. "Herschel had survived all those other rumors, and there was no doubt in my mind that he would be at the University of Georgia next season. I think he wanted to finish his college career, get a degree and set records that might never be broken. I really think he wanted to represent the United States of America in the Olympics."

Dooley still believes that. He said he is convinced that Walker did not really want to turn professional at this time. "I talked to him on the telephone two days ago," the coach said, "and although I can't tell you how he really feels, the tone of his voice told me that he was not excited about his decision. I think I know Herschel, and he just got caught playing with fire. I hate to call \$5 million fire because it's a wonderful contract, but I don't think it was what he wanted to do. The terms of Walker's contract have not been made public."

Dooley, as well as most of Georgia's followers, were still confused about what really happened last week when Walker signed an agreement with the New Jersey Generals, then issued a public denial.

The denials came during a news conference that Walker and Dooley held here last Friday. "I believed Herschel," Dooley said. "I wanted to believe him."

By last Monday morning, the episode appeared over. Dooley went to Colorado on business, and Walker resumed training for Saturday's Southeastern Conference track meet. Then, USFL officials came to the Georgia campus, looking for the coach. Instead, they talked to Mike Caven, the assistant coach who recruited Walker for Georgia.

The USFL officials showed Caven the agreement that Walker had signed after the previous Friday morning and the assistant hurriedly called Dooley.

"I didn't want to believe it," Dooley said. "I called Dave Best in the NCAA office. Then I called Herschel and the first thing I told him was that I loved him. And he said he loved me. But there was mostly silence. He had lied to me, but my children have lied to me too. I still love them."

It was a deplorable coach who returned to Atlanta late Wednesday night. Dooley was besieged by reporters at the airport, then faced a number of interviews from local and out-of-town reporters Thursday. An informal news conference was called.

